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12	IN THE UNITED STATES	S BANKRUPTCY COURT
13	EOD THE DISTR	ICT OF ODECON
13	FOR THE DISTRICT OF OREGON	
14	In re	) Case No. 08-36637-tmb11
15	Stayton SW Assisted Living, L.L.C. dba	) DEBTOR'S APPLICATION FOR
		ORDER APPROVING
16	Lakeside Assisted Living Community,	,
10	j.	(1) EMPLOYMENT OF CLYDE A.
	Lakeside Assisted Living Community,  Debtor.	<ul><li>(1) EMPLOYMENT OF CLYDE A.</li><li>) HAMSTREET &amp; ASSOCIATES,</li></ul>
17	j.	(1) EMPLOYMENT OF CLYDE A.
	j.	<ul> <li>(1) EMPLOYMENT OF CLYDE A.</li> <li>) HAMSTREET &amp; ASSOCIATES,</li> <li>) LLC AS INTERIM MANAGEMENT</li> <li>) AND RESTRUCTURING</li> <li>) CONSULTANT AND</li> </ul>
17 18	j.	<ul> <li>(1) EMPLOYMENT OF CLYDE A.</li> <li>) HAMSTREET &amp; ASSOCIATES,</li> <li>) LLC AS INTERIM MANAGEMENT</li> <li>) AND RESTRUCTURING</li> <li>) CONSULTANT AND</li> <li>) (2) APPOINTMENT OF CLYDE</li> </ul>
17	j.	<ul> <li>(1) EMPLOYMENT OF CLYDE A.</li> <li>) HAMSTREET &amp; ASSOCIATES,</li> <li>) LLC AS INTERIM MANAGEMENT</li> <li>) AND RESTRUCTURING</li> <li>) CONSULTANT AND</li> <li>) (2) APPOINTMENT OF CLYDE</li> <li>) HAMSTREET AS CHIEF</li> </ul>
17 18	j.	<ul> <li>(1) EMPLOYMENT OF CLYDE A.</li> <li>) HAMSTREET &amp; ASSOCIATES,</li> <li>) LLC AS INTERIM MANAGEMENT</li> <li>) AND RESTRUCTURING</li> <li>) CONSULTANT AND</li> <li>) (2) APPOINTMENT OF CLYDE</li> </ul>
17 18 19 20	Debtor.	<ul> <li>(1) EMPLOYMENT OF CLYDE A.</li> <li>) HAMSTREET &amp; ASSOCIATES,</li> <li>) LLC AS INTERIM MANAGEMENT</li> <li>) AND RESTRUCTURING</li> <li>) CONSULTANT AND</li> <li>) (2) APPOINTMENT OF CLYDE</li> <li>) HAMSTREET AS CHIEF</li> <li>) RESTRUCTURING OFFICER</li> </ul>
17 18 19	Debtor.	<ul> <li>(1) EMPLOYMENT OF CLYDE A.</li> <li>) HAMSTREET &amp; ASSOCIATES,</li> <li>) LLC AS INTERIM MANAGEMENT</li> <li>) AND RESTRUCTURING</li> <li>) CONSULTANT AND</li> <li>) (2) APPOINTMENT OF CLYDE</li> <li>) HAMSTREET AS CHIEF</li> </ul>
17 18 19 20	Debtor.	<ul> <li>(1) EMPLOYMENT OF CLYDE A.</li> <li>) HAMSTREET &amp; ASSOCIATES,</li> <li>) LLC AS INTERIM MANAGEMENT</li> <li>) AND RESTRUCTURING</li> <li>) CONSULTANT AND</li> <li>) (2) APPOINTMENT OF CLYDE</li> <li>) HAMSTREET AS CHIEF</li> <li>) RESTRUCTURING OFFICER</li> </ul> L.C. dba Lakeside Assisted Living
17 18 19 20 21 22	Debtor.  Stayton SW Assisted Living, L.	<ul> <li>(1) EMPLOYMENT OF CLYDE A.</li> <li>) HAMSTREET &amp; ASSOCIATES,</li> <li>) LLC AS INTERIM MANAGEMENT</li> <li>) AND RESTRUCTURING</li> <li>) CONSULTANT AND</li> <li>) (2) APPOINTMENT OF CLYDE</li> <li>) HAMSTREET AS CHIEF</li> <li>) RESTRUCTURING OFFICER</li> <li>L.C. dba Lakeside Assisted Living</li> <li>a, hereby applies to the Court for an order</li> </ul>
117 118 119 20 21 22 22 23	Stayton SW Assisted Living, L. Community ("Debtor"), as debtor in possession approving (1) the employment of Clyde A. Har	<ul> <li>(1) EMPLOYMENT OF CLYDE A.</li> <li>) HAMSTREET &amp; ASSOCIATES,</li> <li>) LLC AS INTERIM MANAGEMENT</li> <li>) AND RESTRUCTURING</li> <li>) CONSULTANT AND</li> <li>) (2) APPOINTMENT OF CLYDE</li> <li>) HAMSTREET AS CHIEF</li> <li>) RESTRUCTURING OFFICER</li> <li>L.C. dba Lakeside Assisted Living</li> <li>a, hereby applies to the Court for an order</li> <li>mstreet &amp; Associates, LLC ("Hamstreet") as</li> </ul>
17 18 19 20 21 22 23 24	Stayton SW Assisted Living, L  Community ("Debtor"), as debtor in possession approving (1) the employment of Clyde A. Har Debtor's interim management and restructuring	(1) EMPLOYMENT OF CLYDE A. ) HAMSTREET & ASSOCIATES, ) LLC AS INTERIM MANAGEMENT ) AND RESTRUCTURING ) CONSULTANT AND ) (2) APPOINTMENT OF CLYDE ) HAMSTREET AS CHIEF ) RESTRUCTURING OFFICER  L.C. dba Lakeside Assisted Living a, hereby applies to the Court for an order mstreet & Associates, LLC ("Hamstreet") as g consultant, and (2) the appointment of Clyde
117 118 119 20 21 22 22 23	Stayton SW Assisted Living, L. Community ("Debtor"), as debtor in possession approving (1) the employment of Clyde A. Har	(1) EMPLOYMENT OF CLYDE A. ) HAMSTREET & ASSOCIATES, ) LLC AS INTERIM MANAGEMENT ) AND RESTRUCTURING ) CONSULTANT AND ) (2) APPOINTMENT OF CLYDE ) HAMSTREET AS CHIEF ) RESTRUCTURING OFFICER  L.C. dba Lakeside Assisted Living a, hereby applies to the Court for an order mstreet & Associates, LLC ("Hamstreet") as g consultant, and (2) the appointment of Clyde

Page 1 of 4 - DEBTOR'S APPLICATION FOR ORDER APPROVING (1) EMPLOYMENT OF CLYDE A. HAMSTREET & ASSOCIATES, LLC AS INTERIM MANAGEMENT AND RESTRUCTURING CONSULTANT AND (2) APPOINTMENT OF CLYDE HAMSTREET AS CHIEF RESTRUCTURING OFFICER

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1	as Exhibit 1 (the "CRO Engagement Agreement"). Debtor makes this Application pursuant
2	to 11 U.S.C. § 327 and Rule 2014 of the Federal Rules of Bankruptcy Procedure and
3	respectfully represents as follows:
4	1. On December 1, 2008 (the "Petition Date"), Debtor filed a voluntary
5	petition for relief under Chapter 11 of Title 11 of the United States Bankruptcy Code.
6	Pursuant to Sections 1107 and 1108 of the Code, Debtor continues to operate its business and
7	manage its property as debtor and debtor in possession. No trustee or examiner has been
8	requested or appointed in Debtor's case.
9	2. Debtor is an Oregon limited liability company operating in Stayton,
10	Oregon. Debtor is engaged in all aspects of operating a residential assisted living facility,
11	including providing meals, housekeeping, transportation, and activities for its residents.
12	3. Debtor is part of an affiliated group of companies that owns and
13	manages approximately 280 senior housing facilities throughout the United States. Sunwest
14	Management, Inc., an Oregon corporation ("Sunwest"), provides management services to the
15	affiliated group.
16	4. On October 20, 2008, Hamstreet began providing interim management
17	and restructuring consulting services to Sunwest and certain of its affiliates, including
18	Debtor. On October 30, 2008, and November 13, 2008, Sunwest paid Hamstreet retainer
19	deposits in the amounts of \$10,000 and \$150,000, respectively.
20	5. On November 20, 2008, Hamstreet, Sunwest, and certain insiders
21	entered into the CRO Engagement Agreement. Under the CRO Engagement Agreement,
22	among other things, Clyde Hamstreet was appointed as CRO of Sunwest and certain of its
23	affiliates, including Debtor. The parties presently are negotiating amendments to the
24	CRO Engagement Agreement that will fix the terms of Hamstreet's Transaction Fees, as well
25	as make technical corrections. This Application will be supplemented promptly after the
26	* * *

1 Amended and Restated CRO Engagement Agreement is signed to include an executed copy 2 thereof. 6. Debtor believes Hamstreet is well suited for this work. Hamstreet is a 3 4 leader in the national turnaround industry with substantial expertise in corporate finance, 5 management, restructuring and turnarounds. 7. 6 Subject to Court approval, Debtor has agreed to compensate Hamstreet 7 on an hourly basis in accordance with Hamstreet's ordinary and customary hourly rates in 8 effect on the date services are rendered. In addition, Hamstreet will seek payment of 9 Transaction Fees according to formulas that presently are being negotiated and will be 10 subject to court approval. The professionals who will be primarily responsible for providing these services and their hourly billing rates are as follows: 11 \$475.00 12 Clyde Hamstreet Shirley Dunn \$360.00 Mark Schmidt 13 \$350.00 Gary Lawrence \$350.00 Maren Cohn 14 \$300.00 Tom Tomjack \$350.00 Paul Ceserani \$320.00 15 8. Hamstreet will maintain contemporaneous time records of fees and 16 17 expenses incurred in rendering its services, and payment of such fees and expenses will be 18 subject to application and approval of the Court. 19 9. To the best of Debtor's knowledge, except as stated in Hamstreet's 20 Rule 2014 Verified Statement of Proposed Professional, Hamstreet has no other connection 21 with Debtor, its creditors, any other party in interest, or their respective attorneys or 22 accountants, the United States trustee, or any person employed in the office of the United 23 States Trustee. 24 10. Debtor has provided notice of this Application to its secured creditors, 25 the 20 largest unsecured creditors, and the United States Trustee. No unsecured creditors' 26 committee has yet been appointed in this case. Because of the nature of the relief requested,

1	Debtor respectfully submits that no further notice of the relief requested is necessary or	
2	required under the circumstances.	
3	For the reasons stated in this Application, Debtor requests that the Court enter	
4	an order, effective as of the Petition Date, approving the employment of Hamstreet in this	
5	Chapter 11 case as Debtor's interim management and restructuring consultant and approving	
6	the appointment of Clyde Hamstreet as its CRO, in each case on the terms set forth in the	
7	CRO Engagement Agreement, as the same is amended, with compensation and	
8	reimbursement of expenses to be paid as an administrative expense in such amounts as may	
9	be allowed by this Court after notice and hearing pursuant to Section 330 of the Bankruptcy	
10	Code or as otherwise provided by Court order.	
11	DATED this 8th day of December, 2008.	
12	TONKON TORP LLP	
13		
14	By /s/ Albert N. Kennedy Leon Simson, OSB No. 753429 (Lead Attorney)	
15	Albert N. Kennedy, OSB No. 82142 Timothy J. Conway, OSB No. 85175	
16	888 S.W. Fifth Avenue, Suite 1600 Portland, OR 97204-2099	
17	Telephone: 503-221-1440 Facsimile: 503-274-8779	
18	E-mail: leon.simson@tonkon.com al.kennedy@tonkon.com	
19	tim.conway@tonkon.com	
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# EXHIBIT 1

#### CRO ENGAGEMENT AGREEMENT

This CRO Engagement Agreement (this "Agreement"), dated as of November 20,,2008, is entered into among Clyde A. Hamstreet & Associates, LLC, an Oregon limited liability company ("Hamstreet") with its principal offices located at One SW Columbia, Suite 1885, Portland, OR 97258; Sunwest Management, Inc., an Oregon corporation ("Sunwest") with its principal offices located at 3723 Fairview Industrial Drive SE, Suite 270, Salem OR 97302-0006; and Jon M. Harder, Darryl E. Fisher, and J. Wallace Gutzler, the notice address of each of whom is c/o Sunwest Management, Inc., 3723 Fairview Industrial Drive SE, Suite 270, Salem OR 97302-0006 (each an "Equityholder" and collectively the "Equityholders").

#### Recitals

- A. Sunwest provides management services to approximately 280 senior housing facilities located throughout the United States. Such facilities are owned and operated by separate legal entities, substantially all of which are owned, in whole or in part, by the Equityholders. The Equityholders also own, in whole or in part, a substantial number of non-senior housing entities. All such senior housing and non-senior housing entities are set forth on Exhibit A -Legal Entities attached hereto (each an "Affiliate" and collectively the "Affiliates"). Exhibit A -Legal Entities also shows the shares of stock, limited liability company interests and partnership interests in the Affiliates that are owned or controlled by the Equityholders. One or more of the Equityholders acts as a manager of substantially all of the Affiliates that are organized as limited liability companies, and one or more of the Equityholders also may act as an officer of those Affiliates that are organized as corporations.
- B. Sunwest and certain Affiliates are experiencing financial difficulties and need professional interim management and restructuring assistance.
- C. The Equityholders have requested that Hamstreet provide professional interim management and restructuring assistance to Sunwest and the Affiliates and that Clyde Hamstreet act as the Chief Restructuring Officer of Sunwest and the Affiliates (sometimes referred to herein as the "CRO"). For purposes of this Agreement, Sunwest and all Affiliates are referred to herein collectively as the "Client" or the "Company."
- D. Hamstreet is willing to provide professional interim management and restructuring services to the Client, and Sunwest and the Equityholders, acting for and on behalf of the Affiliates, desire to engage Hamstreet to provide such services, on the terms and subject to the conditions set forth in this Agreement.

#### Agreement

THEREFORE, intending to be legally bound, the parties agree:

# I. <u>Establishment of Independent Board.</u>

A. Client and the Equityholders agree to use their best efforts to recruit and appoint a board of at least three individuals (the "Independent Board") to which the CRO will report as provided herein. The Independent Board will be comprised of individuals who, in each case, (i) is not and has not been an officer, director, manager, member or employee of Sunwest or any

- Affiliate, (ii) is not a creditor of or a holder of any equity interest in Sunwest or any Affiliate, and (iii) does not hold, directly or indirectly, any equity interest in any creditor or equity interest holder described in clause (ii) above.
- 1.2 The Independent Board, with at least three members (each a "Board Member"), shall take office no later than December 15, 2008.
- 1.3 There shall be at all times at least three (3) Board Members, subject to any vacancy pending the appointment of a successor Board Member under the circumstances contemplated below. Any Board Member (and any successor Board Member) may at any time resign by notifying the CRO, the Equityholders and other Board Members in writing of such resignation. Upon the death, incapacity or resignation of any Board Member, the other Board Members shall use their best efforts to appoint a successor Board Member as soon as is reasonably possible, which successor shall not be an Equityholder and shall otherwise meet the requirements set forth in Section 1.1 above. The remaining Board Members shall promptly notify the CRO and the Equityholders of any such appointment. In the event that the Independent Board has not been appointed by December 15, 2008, or that all Board Members shall have thereafter died, become incapacitated or resigned, the CRO shall have the right to appoint initial or successor Board Members who shall not be Equityholders and who shall otherwise meet the requirements set forth in Section 1.1 above, subject to the approval of such individuals by a majority (two of the three) of the Equityholders, which approval shall not be unreasonably withheld. Matters considered by the Independent Board shall be deemed approved thereby if such matters are approved by a majority of the members of the Independent Board, except when less than three (3) individuals are then serving on the Independent Board, in which case such matters must be unanimously approved.
  - 1.4 The functions of the Independent Board shall be to:
  - (a) Oversee the activities of the CRO in implementing the Restructuring Plan attached hereto as **Exhibit B Restructuring Plan** (as amended, revised or supplemented and in effect from time to time, the "Restructuring Plan").
  - (b) Give advice and recommendations to the CRO on issues that are presented to the Independent Board by the CRO from time to time, particularly with regard to (i) the disposition, liquidation, write-off or sale of assets; (ii) the pursuit of litigation claims on behalf of the Company; (iii) approval of budgets (including the projected compensation of the CRO, fees to professionals and other costs); and (iv) use or distribution of monies received by Sunwest and the Affiliates.
  - (c) Consider and, if appropriate, approve any material changes to the Restructuring Plan as may be proposed by the CRO.
  - (d) If determined advisable by the Independent Board, terminate the CRO and this Agreement as provided herein.
  - (e) Provide such recommendations and authorize, approve and/or take such other actions as may be expressly contemplated for the Independent Board by this Agreement.

#### 2. Hamstreet's Services; CRO's Powers.

- 2.1 The Client hereby engages Hamstreet for the purposes of providing interim management and restructuring consulting services as more specifically described in this Section 2. Hamstreet may provide ancillary services under this Agreement as requested by the CRO through the individuals listed in the attached Schedule 1: Base Compensation or through such other persons as Hamstreet may designate from time to time. Hamstreet's sole obligation under this Agreement is to the Client, and any advice (written or oral) given by Hamstreet to the Client in connection with its engagement under this Agreement is solely for the use and benefit of the Client.
- 2.2 Clyde Hamstreet is hereby appointed as Chief Restructuring Officer of Sunwest and of all Affiliates. As CRO, he is authorized and directed to take all actions that are reasonably necessary or desirable to implement and accomplish the purposes of the Restructuring Plan, as it may be amended, revised or supplemented from time to time with the approval of the Independent Board. Subject only to the powers reserved to the Independent Board, the CRO shall have the authority to exercise all rights and powers which could otherwise be exercised by the executive officers or managers, as the case may be, of Sunwest and of the Affiliates in performing the CRO's duties under this Agreement (including implementing the Restructuring Plan), in each instance, to the fullest extent permissible by law and by the terms of the operating agreement or other organizational documents. The CRO shall have such rights and powers as of the date of this Agreement, notwithstanding that the Independent Board has not been established. Without limiting the generality of the foregoing, the CRO is empowered to do the following, in each case in a manner consistent with the Restructuring Plan as in effect from time to time:
  - (a) Obtain financing, sell or otherwise dispose of the Company's assets, authorize the defense and prosecution of lawsuits, consent to foreclosure of liens on such assets, and wind up the affairs of Affiliates.
  - (b) Oversee and direct day-to-day operational and financial management of the Client.
  - (c) Cause Client to enter into contracts and to modify or amend agreements of the Client.
  - (d) Hire and discharge employees and management of Client, provided that written notice shall be provided to the Independent Board at least ten (10) days in advance of proposed personnel changes (which period may be shortened upon agreement of the Independent Board).
  - (e) Authorize and approve the disbursement of funds of Client to lenders, tenants in common, trade creditors, Equityholders and others.
  - (f) Direct communications with Client's lenders, lessors, vendors, employees, owners, and other interested parties, including governmental and regulatory authorities.
  - (g) Engage and terminate the services of the professional advisors to the Company.

- (h) Collect, for the benefit of the Company, all dividends and other distributions that are at any time paid or payable on account any stock, limited liability company ownership interest or partnership interest in any of the Affiliates which are owned or controlled by an Equityholder and determine how the proceeds thereof will be used.
- 2.3 The Equityholders shall cause the CRO to be duly elected or appointed to the office of Chief Restructuring Officer in accordance with the governing documents of the Client and, if necessary, shall cause proper resolutions of the Client to be adopted that authorize the CRO to perform the duties set forth in this Agreement, subject to such approval of other managers and/or members of the Affiliates as may be required. If requested by the Independent Board and CRO, the Equityholders shall use their best efforts to cause the CRO to be duly elected or appointed as manager of each Affiliate.
- 2.4 The CRO shall be afforded the same insurance coverage and indemnification rights as any manager, officer or director of the Client, as Client shall have in effect from time to time, and such coverage shall begin as provided in Section 14.4 of this Agreement.
- 2.5 The CRO shall notify each governmental or regulatory agency as may be mandatory or as may be requested by any of the Client's professional advisors ("Required Regulatory Notice Parties") of his appointment hereunder. The CRO is authorized to provide a copy of this Agreement to such persons and entities as he may determine, including the Required Regulatory Notice Parties.
- 2.6 Anything herein to the contrary notwithstanding, Hamstreet and the CRO shall have:
  - (a) No authority to bind an Affiliate with regard to the sale of substantially all of its assets other than as contemplated by the Restructuring Plan or as approved by the Independent Board, and subject to such other third party consents or approvals as may be required.
  - (b) No authority to enter into a consent decree, civil compromise, or other binding undertaking with governmental authorities, including federal or state securities regulators and federal or state prosecutorial agencies, other than state regulatory authorities having jurisdiction over the licensing and operation of the Client's businesses, except as approved by the Independent Board.
  - (c) No duty and no responsibility with respect to regulatory compliance matters, including without limitation, (i) compliance with applicable federal, state or local statutes, ordinances, regulations, orders and requirements of common law in any way affecting or pertaining to health, safety or the environment, (ii) filings with federal and state securities authorities, or (iii) filings and payments to federal, state, and local taxing authorities, except that, without any duty of investigation, the CRO shall report to the Independent Board any incidents of gross negligence or willful misconduct relating to the financial affairs of the Company or any knowing violation of the law by any director, officer, manager, or executive level employee of the Company (whether any such incident or knowing violation occurred before or occurs after the date of this Agreement), in each instance, to the extent, if any, that the CRO has or acquires actual knowledge thereof.

2.7 To the extent that management powers are given to the CRO hereunder, none of Client's executive officers or managers (including the Equityholders) shall have the right to exercise any such powers.

# 3. Equityholders' Assignment of Distribution Rights.

- 3.1 Each Equityholder hereby assigns to the CRO, as agent for the Company, all of his right, title and interest in and to all cash and noncash proceeds of the shares of stock, limited liability company ownership interests and partnership interests in the Affiliates which are owned or controlled by such Equityholder that are paid or payable from time to time on account of such equity interests, including (without limitation) all dividends and other distributions. The assignment of funds by the Equityholders to the CRO, as agent for the Company, shall be treated as a loan by the Equityholder to the specific Company that actually receives the funds. If an Equityholder at any time receives any such proceeds, the property so received shall be held in trust for the Company, shall be segregated from and not commingled with other funds or property and shall be forthwith delivered to the CRO in the same form as so received with any necessary indorsements.
- 3.2 Notwithstanding the provisions in Section 3.1, the CRO shall, from time to time, cause the Company to pay to each Equityholder, out of the proceeds actually received by the Company on account of such Equityholder's equity interests, amounts that the CRO or Independent Board determine is reasonable and necessary for such Equityholder's living expenses, taxes, legal, accounting and other professional fees and expenses, and such other amounts as may be approved by the Independent Board.
- 3.3 Each Equityholder hereby irrevocably appoints the CRO as his attorney-in-fact, with full authority in the place and stead of the Equityholder and in the name of the Equityholder, any Affiliate, the CRO or otherwise, from time to time at the CRO's discretion, to take any action and to execute and deliver any instrument that the CRO may reasonably deem necessary or advisable to secure or enforce the rights granted in Section 3.1 above. Without limiting the generality of the foregoing, the CRO may receive, indorse and collect all instruments made payable to an Equityholder representing any dividend or other distribution on account of such Equityholder's equity interests in the Affiliates and give full discharge for the same.
- 3.4 Each Equityholder covenants and agrees that he will not sell, assign or otherwise transfer to any person or entity, other than to the Company as directed by the CRO, any right, title or interest in any shares of stock, limited liability company ownership interests or partnership interests in the Affiliates, without, in each case, the prior, written consent of the CRO, which consent may be withheld or delayed in the CRO's unfettered discretion.
- 3.5 Each Equityholder agrees that, from time to time, he will promptly execute and deliver all further instruments and documents, and take all further action that may be necessary or reasonably desirable, or that the CRO may reasonably request, in order to enable the CRO to realize the benefits of the rights granted in this Section 3.
- 3.6 Each Equityholder hereby authorizes the CRO to file one or more financing statements relative to the rights assigned under Section 3.1 above.
- 3.7 The Equityholders, and each of them, acknowledge and agree that the CRO will have the right to determine how the proceeds received by the CRO, as agent for the

Company, will be used for implementing the Restructuring Plan. The CRO may, among other things, hold and accumulate some or all such proceeds in designated bank accounts pending a determination as to their use and distribute the proceeds to any of the Affiliates or to such other entities that may be formed for the purposes of implementing the Restructuring Plan.

- 4. Reporting Responsibility. The CRO shall report only to the Independent Board. The actions and decisions of the CRO shall not be subject to review by any officer, director, manager or employee of the Client.
- 5. Regulatory Compliance. All regulatory compliance decisions are the responsibility of Client. Except as otherwise specifically provided herein, neither Hamstreet nor the CRO shall have any duty, responsibility or liability with respect to regulatory compliance matters, including, without limitation, (a) compliance with applicable federal, state or local statutes, ordinances, regulations, orders and requirements of common law in any way affecting or pertaining to health, safety or the environment, or (b) filings with federal and state securities authorities and federal, state and local taxing authorities.

#### 6. Termination.

- 6.1 Hamstreet's engagement may be terminated, for any or no reason whatsoever, at any time on ten (10) business days' prior written notice to Hamstreet by the Independent Board, provided that such notice shall also be provided to the Required Regulatory Notice Parties.
- 6.2 Hamstreet may terminate its engagement hereunder and Clyde Hamstreet may resign as CRO of Sunwest or of all or any of the Affiliates, in each case for any or no reason whatsoever, at any time on ten (10) business days' written notice to the Independent Board, provided that such notice shall also be provided to each Required Regulatory Notice Party.
- 6.3 All provisions of this Agreement, other than Sections 2 and 3, shall survive the termination of this Agreement.
- 7. <u>Disclosure</u>. Hamstreet has many relationships in the business community involving lenders, law firms, accounting firms, consulting firms, independent consultant contractors, and others. These relationships may include Hamstreet in the past or currently: receiving client referrals, providing client referrals, providing or receiving professional services, employing employees or contractors or serving as a contractor, and other types of relationships. These relationships may include lenders, professionals or others that have a connection with Client and/or Hamstreet's services provided under this Agreement. Such relationships are expected to continue and new ones may begin during the provision of services hereunder. Hamstreet represents that its independence in providing services hereunder is not compromised by such relationships, and is willing to confer with Client at Client's request concerning the specific nature of any such relationships Hamstreet may have.

### 8. <u>Information and Access.</u>

8.1 Hamstreet shall have full access to all personnel, books, and records of and advisors to the Client and, if Hamstreet so desires, a working relationship with the entire internal organization of Client. Sunwest and the Equityholders ("Contracting Parties") represent and warrant that, except as disclosed to Hamstreet in writing, all information made available to Hamstreet will, to the best of their knowledge, at all times during the period of the engagement

of Hamstreet under this Agreement be complete and correct in all material respects and will not contain any untrue statement of material fact or omit to state a material fact necessary in order to make the statements therein not misleading in the light of the circumstances under which such statements are made. The Contracting Parties further represent and warrant that any projections or other information provided to Hamstreet will have been prepared in good faith and will be based on assumptions which, in light of the circumstances under which they are made, are reasonable, although it is recognized that projections are based on assumptions that may or may not prove to be accurate. The Contracting Parties acknowledge that, in rendering its services hereunder, Hamstreet will be using and relying on the information (and information available from public sources and other sources deemed reliable by Hamstreet) without independent verification thereof by Hamstreet or independent appraisal by Hamstreet of any of the Client's assets. Hamstreet does not assume responsibility for the accuracy or completeness of the information or any other information regarding the Client.

8.2 The CRO shall promptly provide the Independent Board, or any Board Member, with access to personnel, books and records of the Company and to advisors to the Company, together with such other information as may be reasonably requested by the Independent Board, or by such Board Member.

#### 9. <u>Compensation.</u>

- 9.1 Subject to Section 9.3 below, Hamstreet shall be compensated for its services and shall be reimbursed for its expenses under this Agreement as set forth in Section 9.2 and on the attached Schedule 1: Base Compensation. Except for Transaction Fees, which shall in no event be greater than \$3,500,000, and shall be payable as provided in Schedule 2: Transaction Fees, Hamstreet's fees and expenses will be billed and will be payable as provided in Section 9.2 and Schedule 1: Base Compensation.
- 9.2 Reimbursable expenses include costs of travel and travel related expenses, printing and reproduction, long-distance communications (including facsimile), courier, overnight and other delivery services. The reasonable fees and expenses of attorneys consulted or engaged by Hamstreet to assist it under this Agreement shall be reimbursable expenses and services of other third parties consulted or engaged by Hamstreet to assist it under this Agreement shall be reimbursable provided that such consultation or engagement has been approved by the Independent Board. Notwithstanding the foregoing, the legal expenses of Hamstreet in negotiating the terms of this Agreement, up to \$15,000, shall be reimbursed by the Client upon demand.
- 9.3 Client has paid Hamstreet an initial payment of \$150,000 (the "Retainer"), 50% of which shall be earned on receipt such that if Hamstreet's engagement under this Agreement is terminated before it has earned fees based on hourly rates totaling \$75,000 or more, Hamstreet shall nonetheless be entitled to retain \$75,000 of the Retainer as consideration for undertaking the engagement under this Agreement and for the services provided before termination. The Client hereby grants Hamstreet a security interest in and lien upon the Retainer to secure payment of all amounts that become payable at any time by Client to Hamstreet under this Agreement.
- 9.4 Notwithstanding any other term hereof, all financial obligations to Hamstreet, including all obligations with regard to all compensation, reimbursement of expenses and

indemnification, are solely the liability of the Client, and the Equityholders shall have no personal liability therefor.

- 10. <u>Testimony.</u> Except for testimony which is within the scope of services set forth herein for which Hamstreet will be compensated as provided on Schedule 1: Base Compensation, if Hamstreet is required in any legal or other proceeding to deliver testimony with regard to the Client (whether or not this Agreement is still in effect), Client agrees to pay Hamstreet a fee at its then prevailing hourly rates for witness preparation and court appearances, in addition to the fees and expenses of outside counsel retained by Hamstreet to advise in connection with such testimony and other reimbursable expenses incurred by Hamstreet in connection with the testimony.
- 11. Non-Solicitation of Employees. During, and for a period of one year after termination of Hamstreet's engagement under this Agreement, neither Hamstreet nor the Client shall hire, retain or utilize (other than with the other party's consent) the services of any employee or former employee of the other party who has been employed by the other party in the ninety (90) day period preceding hire by Hamstreet or the client. Hamstreet and Client further agree that any violation shall result in liquidated damages in the amount of one-third of the hired employee's total compensation during his or her first year of employment by Hamstreet or Client. Payment of liquidated damages for violation of this Agreement may be billed and shall be payable as an additional reimbursable expense under this Agreement and shall not be subject to any requirement of advance authorization by Hamstreet or Client or any other limitation that may apply to other fees and expenses payable to Hamstreet or Client under this Agreement.
- 12. <u>Use of Name and Work Product.</u> Client shall not, and shall not authorize anyone else to, use Hamstreet's name or use or make available to third parties any written materials (including extracts or excerpts therefrom or abstracts thereof) or other work product prepared by Hamstreet pursuant to this Agreement in connection with obtaining or extending credit, offering or selling securities or other assets or in any other representations to third parties without Hamstreet's prior written consent. Hamstreet is authorized, at its expense, to place a customary "tombstone" advertisement or similar announcement with respect to its engagement hereunder in such form and in such media as Hamstreet deems appropriate, but otherwise shall not use Client's name, except as is necessary to perform its duties under this Agreement, without Client's prior written consent.
- 13. <u>Standard of Care and Warranty Disclaimer.</u> Hamstreet shall perform its services under this Agreement in accordance with standards of skill and care generally observed by "turnaround" consultants of recognized national standing in the United States. Hamstreet makes no representations or warranties, express or implied, concerning the value of its services or the results that may be obtained therefrom. Hamstreet's engagement shall not constitute an audit, review, compilation or any other type of financial statement reporting or consulting engagement that is subject to the rules of the AICPA or other state and national professional bodies.

#### 14. Limitation of Liability and Indemnity; Insurance.

14.1 None of Hamstreet or any of its directors, officers, shareholders, employees, consultants or other agents (each a "Hamstreet Party" and collectively the "Hamstreet Parties") shall have or incur any liability to, or be subject to any right of action by, the Client or any third party for any act or omission in connection with, relating to or arising out of Hamstreet's services under this Agreement, including the exercise of their respective business judgment,

except liability for gross negligence, willful misconduct or a knowing violation of the law, and, in all respects, the Hamstreet Parties will be entitled to reasonably rely upon the advice of the Client's counselor or own counsel with respect to Hamstreet's duties and responsibilities under this Agreement. In no event, regardless of the legal theory advanced, shall any Hamstreet Party be liable to the Client for any lost profits or any indirect, incidental or consequential damages. The obligations of Hamstreet are solely corporate obligations, and no Hamstreet Party shall be subject to any personal liability whatsoever to any person, nor will any such claim be asserted by the Client, whether on its own behalf or on behalf of any other person.

- 14.2 The Client shall indemnify, defend and hold harmless each of the Hamstreet Parties against any and all claims, costs, demands, damages, assessments, actions, suits or other proceedings, liabilities, judgments, penalties, fines or amounts paid in settlement, expenses, and attorneys fees (whether incurred at the trial or appellate level, in an arbitration, in bankruptcy (including, without limitation, any adversary proceeding, contested matter or application), or otherwise and notwithstanding any limitation set forth in Section 14.1 above) (collectively "Claims" ) arising out of, connected with or related to the services performed under this Agreement, whether or not such Claims are attributable in whole or in part to negligence by Hamstreet, other than Claims that are finally determined by judgment or in binding arbitration to have resulted from (a) acts or omissions by Hamstreet that involve gross negligence, intentional misconduct or a knowing violation of law or (b) conduct that Hamstreet did not in good faith believe was in, or at least not opposed to, the best interests of the Client. Hamstreet shall give prompt written notice to the Client of any Claim for which indemnification may be claimed hereunder, and the parties shall then cooperate as reasonably required to defend such Claim: provided, that the right of the Hamstreet Parties to indemnification shall not be affected by any failure or delay by Hamstreet in giving such notice, except to the extent that the rights and remedies of the indemnifying party shall have been materially prejudiced as a result of such failure or delay. The Client shall pay all costs and expenses, including reasonable attorneys' fees, incurred by Hamstreet to enforce its rights under this Agreement.
- 14.3 If for any reason the foregoing indemnification is determined to be unavailable to any Hamstreet Party or is insufficient to fully indemnify any such person, then the Client will contribute to the amount paid or payable by such person as a result of any such claims in such proportion as is appropriate to reflect both the relative benefit and the relative fault of the Client on the one hand, and the Hamstreet Parties on the other hand, and any other relevant equitable considerations in connection with the matters as to which such claims relate; provided, however, that in no event shall the amount to be contributed by all Hamstreet Parties in the aggregate exceed the amount of compensation actually received by Hamstreet under this Agreement.
- 14.4 Immediately upon execution of this Agreement, and as a condition to the obligations of Hamstreet hereunder, the Client shall cause Hamstreet and such other Hamstreet Parties as Hamstreet shall designate in writing to be added as additional named insureds on the Client's comprehensive general liability and directors' and officers' liability insurance policies. If at any time a Hamstreet representative designated to perform the services under this Agreement changes, the Client will immediately cause such successor representative to be added as a named insured on the Client's comprehensive general liability and directors' and officers' liability insurance policies.
- 14.5 Notwithstanding any other term hereof, the obligation to Hamstreet with regard to the indemnification obligations of this Section 14 are solely the liability of the Client and the Equityholders shall have no personal liability therefor.

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#### 15. Confidentiality.

- 15.1 All information disclosed to Hamstreet by the Client in connection with the engagement under this Agreement, including without limitation information acquired from the Client's employees or inspection of the Client's property, and confidential information disclosed to Hamstreet by third parties representing or acting for or on behalf of Client, shall be considered Confidential Information. Confidential Information shall not include information which (a) is now or subsequently becomes generally known or available by publication, commercial or otherwise, through no fault of Hamstreet, (b) is known by Hamstreet at the time of the disclosure, (c) is independently developed by Hamstreet without the use of any Confidential Information, (d) is information that the parties agree in writing may be disclosed by Hamstreet, (e) is or becomes available to Hamstreet on a non-confidential basis from a source other than Client, provided that, to Hamstreet's knowledge, such source was not prohibited from disclosing such information to Hamstreet by a legal, contractual or fiduciary obligation owed to Client or (f) is information that must be disclosed pursuant to applicable law or legal, regulatory, or administrative process after compliance with the provisions hereof.
- 15.2 Hamstreet shall keep all Confidential Information confidential and shall use the Confidential Information solely for the purpose of providing the services to be furnished pursuant to this Agreement. Hamstreet may make reasonable disclosures of Confidential Information to third parties in connection with and as necessary for the performance of its engagement under this Agreement and in connection with and as necessary in any dispute between Hamstreet and the Client under or concerning this Agreement, and Hamstreet will have the right to disclose to others in the normal course of business its involvement with the Client. Any written information produced by Hamstreet shall be treated as Confidential Information, shall be delivered solely to the Client and, except as required by law or legal process, shall not be provided to any third party without the Client's consent.
- 15.3 If Hamstreet receives any request (by order, subpoena or other legal process) to produce any Confidential Information, Hamstreet will, unless prohibited by law or process, use its best efforts to provide the Client with timely notice of such request and, at the Client's request and expense, cooperate with the Client in any action the Client deems necessary or appropriate under the circumstances to protect the confidentiality of the Confidential Information.

#### 16. General

- 16.1 <u>Modification</u>. No modification, amendment or addition to, or waiver of, any provisions of this Agreement shall be valid or enforceable unless in writing and signed by the parties hereto.
- 16.2 Legal Construction. The validity, interpretation and enforceability of this Agreement shall be determined in accordance with the substantive laws of the State of Oregon, exclusive of choice of law provisions. If any provisions of this Agreement shall for any reason be held by a court of competent jurisdiction to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein and to give effect as nearly as possible to the intent of the parties. This Agreement is the product of negotiations among the parties in which each has had the opportunity to be advised by counsel of its choosing, and therefore the rule of construction that an agreement is construed against the drafter thereof shall not be applicable to this Agreement.

- 16.3 No Third Party Benefit. This Agreement is made solely for the benefit of the parties hereto, and no third party shall acquire any claim against Hamstreet as a result of this Agreement.
- 16.4 <u>Alternative Dispute Resolution</u>. Any claim or dispute concerning, relating to or arising out of this Agreement shall be resolved by binding arbitration in accordance with the rules of the American Arbitration Association or such other rules as may be agreed to by the parties. The arbitration shall be conducted in a location mutually agreed by the parties. If the parties fail to agree on the location within 30 days after a party requests arbitration, the arbitration shall be conducted in Portland, Oregon. The prevailing party in any arbitration under this Agreement shall be entitled to recover from the losing parties as part of the arbitration award reasonable costs and fees, including reasonable attorneys' fees. Any arbitration award may be enforced by a court of competent jurisdiction in accordance with Oregon law. In the event legal action to enforce the arbitration award is necessary the prevailing party shall be entitled to recover its costs and expenses, including reasonable attorneys' fees (whether incurred at the trial or appellate level, in an arbitration, in bankruptcy (including, without limitation, any adversary proceeding, contested matter or application), or otherwise) in such action and in any appeals therefrom or reviews thereof.
- 16.5 <u>Liability of Equityholders</u>. Notwithstanding any other term hereof, the obligations to Hamstreet under this Agreement are solely the liability of the Client and the Equityholders shall have no personal liability therefor
- 16.6 Notices. All notices under or concerning this Agreement shall be in writing, may be given by personal delivery, overnight mail or United States mail, shall be effective only upon actual receipt, and shall be delivered to the party receiving notice at the address set forth in the preamble to this Agreement.
- 16.7 <u>Miscellaneous</u>. This Agreement shall be binding on and inure to the benefit of the parties and their respective successors and assigns, but no party may assign any benefit or delegate any duty under this Agreement, voluntarily or by operation of law, without the written consent of the other parties. This Agreement constitutes the parties' entire agreement with respect to its subject matter and is intended to supersede all prior negotiations, discussions and agreements and fully to integrate the parties' agreement. This Agreement may be executed by facsimile and in any number of counterparts, each of which shall constitute an original and all of

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which shall constitute one agreement.

CLYDE A. HAMSTREET & ASSOCIATES,

LLC

By:

Diame: Clyde A Hamstreet Title: President

Marder, as Manager and/or Equit holder of the Company

J. Wallace Gutzler, as Managerland/or Equityholder of the Company

SUNWEST MANAGEMENT, INC.

Name: Jon M. Harder Pitle: President

Darryl E. Fisher, as Manager and/or

Equityholder of the Company

#### Schedule 1: Base Compensation

Hamstreet shall be compensated for time spent on this engagement at its then current hourly rates plus expenses incurred by Hamstreet in performing its engagement under this Agreement. Fees and expenses shall be billed weekly unless otherwise agreed to in writing, and all invoices are due and payable upon receipt.

#### Rate Schedule

Clyde Hamstreet \$475.00 per hour

Shirley Dunn \$360.00 per hour

Mark Schmidt \$350.00 per hour

Gary Lawrence \$350 per hour

Maren Cohn \$300 per hour

Tom Tomjack \$350.00 per hour

Paul Ceserani \$320.00 per hour

Other Hamstreet personnel performing services under this engagement: \$200.00 to \$450.00 per hour

Out-of-Pocket Expenses At Cost

# Schedule 2: Transaction Fees

# REASONABLE TERMS TO BE MUTUALLY AGREED ON WITHIN 30 DAYS

Exhibit A -Legal Entities

## Affiliates

Entity Name	Fed ID#
Alpine Court Management, Inc.	20-0402546
Alpine Springs, LLC	93-1246924
Amarillo GP, LLC	20-0258409
Amethyst Arbor Management, Inc.	20-0236409
	20-0400416
Amethyst Arbor Property, LLC	Samuel Company of the
Amethyst Inn Property, LLC	83-0338924
Anderson Senior Living Property, LLC	20-5611434
Arbrook Senior Living GP, LLC	20-5039904
Arlington Cooper GP, LLC	20-4696915
Art's Landscape Maintenance, Inc.	93-1301228
Aspen Foundation	93-1170370
Aspen Foundation II	93-1232564
Aspen Foundation III	93-1249979
Aspen Wind Property, LLC	93-1327814
Autumn Glen Cottages Property, LLC	26-0522673
Bedford Gardens GP, LLC	20-1524308
Bluffs at Northwoods Apartments, LLC	20-5513172
Bluffs at Northwoods Property, LLC	20-5708067
Buford Brookside Senior Living Property, LLC	26-0443770
Butte Senior Living Property, LLC	20-5986914
Callahan Village Assisted Living, LLC	93-1265773
Cambridge Court GP, LLC	43-2004021
Camelot GP, LLC	71-0898035
Canterbury Gardens Senior Living GP, LLC	20-8858930
Canterbury Gardens Senior Living Property GP, LLC	20-8858995
Canterbury Gardens Senior Living Property L.P.	20-8858960
Canton Senior Living Property, LLC	26-0446564
Canyon Creek Development, Inc.	93-1316687
Canyon Creek Financial, LLC	20-3736421
Cape Elizabeth Senior Living, LLC	20-5538648
Carriage Inn GP, LLC	20-1688189
Cascadia Canyon, LLC	20-5151350
CCD Commercial Properties, LLC	20-5151337
Cedar Park CPGP, LLC	47-0856807
Central Washington Senior Care, L.L.C.	91-2090742
Century Place, L.L.C.	20-2330149
Charlotte Oakdale Property, LLC	20-5600691
Charlotte Overlook Apartments	20-4752640
Chino Hills Senior Living Property, LLC	20-5844009
Clark 40, LLC	20-4358093
Clatsop Assisted Living, LLC	48-1279076
Clearlake GP, LLC	20-5708116
Clearlake Senior Living Property GP, LLC	20-5726848
Clearlake Senior Living Property Limited Partnersh	20-5726993
Cody Senior Living II Property, LLC	26-0455899

Commerce Senior Living Property, LLC	20-8077886
Corinthians I, LLC	71-0898038
Corinthians II, LLC	71-0898037
Corinthians Management, Inc.	20-0406464
Corona Senior Living GP, LLC	20-8772953
Corona Senior Living Property GP, LLC	20-8773024
Corona Senior Living Property Limited Partnership	20-8772802
CPSW, LLC	20-2343779
CT Acres, LLC	93-1308099
CU 1, LLC	20-5886060
CU 14, LLC	20-5886586
CU 15, LLC	20-5886713
CU 16, LLC	20-5886804
CU 18, LLC	20-5886986
CU 19, LLC	20-5887653
CU 2, LLC	20-5886545
CU 20, LLC	20-5887713
CU 21, LLC	20-5708196
CU 23, LLC	20-5887197
CU 24, LLC	20-5887282
CU 25, LLC	20-5887322
CU 26, LLC	20-5887389
CU 27, LLC	20-5887510
CU 28, LLC	20-5887559
CU 29, LLC	20-5887585
CU 31, LLC	20-8128778
CU 32, LLC	20-5938605
CU 33, LLC	20-5986926
CU 34, LLC	20-5986746
CU 35, LLC	20-5986876
CU 36, LLC	20-5594845
CU 38, LLC	20-5986971
CU 40, LLC	20-8089761
CU 41, LLC	20-8089808
CU 42, LLC	20-8089878
CU 43, LLC	20-8089937
CU 44, LLC	20-8089989
CU 45, LLC	20-8949005
CU 48, LLC	20-8261017
CU 54, LLC	20-8773236
CU 55, LLC	20-8670542
CU 7, LLC	20-8128723
CU 8, LLC	20-8128729
CU Buford, LLC	26-0422736
CU Canton, LLC	26-0446424
CU Global, LLC	26-1418366
CU Gresham Chestnut, LLC	26-0838439
CO Gresnam Chestilut, LLC	20-0030439

CU Mobile Gordon Oaks, LLC	26-1319991
CU Paducah, LLC	20-8879418
CU Roanoke, LLC	26-1195284
CU Sheridan, LLC	26-1338372
CU Sioux City, LLC	26-0536479
CU SR 1, LLC	20-5988584
CU Woodstock, LLC	26-0536570
CV Senior Living, LLC	93-1327061
	93-1262660
D & H, LLC	81-0575101
Desert Amethyst Property, LLC	······
Desert Springs Land, LLC	20-5422865
Emerald Springs Management, Inc.	20-0406509
Emerald Springs Property, LLC	20-0777893
Encore Indemnity Management, LLC	20-2513628
ES 1, LLC	20-5886462
ES 14, LLC	20-5886653
ES 15, LLC	20-5886757
ES 16, LLC	20-5886844
ES 18, LLC	20-5887145
ES 19, LLC	20-5887683
ES 2, LLC	20-5886514
ES 20, LLC	20-5887741
ES 21, LLC	20-5708234
ES 23, LLC	20-5887215
ES 25, LLC	20-5887365
ES 26, LLC	20-5887426
ES 27, LLC	20-5887534
ES 29, LLC	20-5887610
ES 32, LLC	20-5938622
ES 33, LLC	20-5986936
ES 34, LLC	20-5986773
ES 36, LLC	20-5594855
ES 40, LLC	20-8089785
ES 41, LLC	20-8089840
ES 42, LLC	20-8089904
ES 43, LLC	20-8089954
ES 44, LLC	20-8090019
ES 45, LLC	20-8949027
ES 54, LLC	20-8773116
ES 55, LLC	20-8670577
ES 7, LLC	20-8128734
ES 8, LLC	20-8128742
ES Buford, LLC	26-0422813
ES Canton, LLC	26-0446455
ES Global, LLC	26-1418385
ES Gresham Chestnut, LLC	26-0838465
ES Mobile Gordon Oaks, LLC	26-1320018

ES Mooresville, LLC	20-8044363
ES Paducah, LLC	20-8879447
ES Roanoke, LLC	26-1195382
ES Sheridan, LLC	26-1338424
ES Sioux City, LLC	26-0536510
ES SR 1, LLC	20-5988645
ES SR 2, LLC	20-5988609
ES Woodstock, LLC	26-0536545
Fairview Business Flex Campus, LLC	20-5081122
Fairview Services, LLC	41-2090551
Fairway Crossing Senior Living Property, LLC	20-5742322
Forest Lake Estates, LLC	93-1301898
FOSW, LLC	20-8948854
Fuse Ad Agency, Inc.	93-1289769
Garden Estates GP, LLC	20-1585402
Gemstone Assisted Living Community, LLC	93-1299123
Glastonbury Senior Living Property, LLC	20-5742285
Glendale at Murray Property, LLC	20-5844131
Glendale at Murray, LLC	20-4877549
Grand Court FW, LLC	80-0005196
Grayson Harrisburg Senior Living, LLC	20-4897822
Grayson Selinsgrove Senior Living, LLC	20-4905725
Great Falls Senior Living, LLC	20-4011594
Greatwood Management, Inc.	20-0406576
Greatwood Retirement & Assisted Living, LLC	75-3070197
Greenleaf Farms I, LLC	20-4850024
Greensboro Oakdale Property, LLC	20-5600944
Gresham Chestnut Senior Living Property, LLC	26-0838398
Harder Development IV, LLC	93-1295321
Harlingen GP, LLC	20-3433579
HD5, LLC	93-1288847
HD6, LLC	93-1321565
Hendersonville BG Property, LLC	71-0874744
Hendersonville BGGP, LLC	71-0874756
Heron Pointe Retirement and Assisted	93-1240286
HFJ II, LLC	01-0731635
HFJ, LLC	93-1329908
HFLW Employee Distributions, LLC	20-2990928
Highlands Senior Living Property, LLC	20-5812767
Holiday Lane GP, LLC	46-0513349
Hoover Senior Living Property, LLC	20-5928596
Jackson Hole Property, LLC	20-5666901
Jasper Senior Living Property, LLC	20-5844175
JDP, LLC	20-8046457
JH Stonebridge, LLC	26-0183077
JH-DF-AF, LLC	20-1523829
JMH Sawmill Group, LLC	20-2744855

Kansas City Senior Living Property, LLC	20-5949737
KDA Construction, Inc.	93-1279784
KDA Enterprises, LLC	93-1301194
Kerrville Senior Living GP, LLC	20-5726859
Kerrville Senior Living Property GP, LLC	20-5726907
Kerrville Senior Living Property Limited Partnersh	20-5726925
King's Manor Oregon, LLC	93-1317166
Knollwood Pointe, L.L.C.	68-0497703
Lakeside Retirement Cottages, LLC	81-0572611
Legacy Georgia Senior Living Property, LLC	20-5994763
Lexington Senior Living Property, LLC	20-5844103
Lompoc Senior Living GP, LC	20-8314371
Lompoc Senior Living Property GP, LLC	20-8314422
Lompoc Senior Living Property Limited Partnership	20-8314332
Lubbock GP, LLC	20-4296979
Macleay-Cordon, LLC	93-1314854
Macon Senior Living Property, LLC	20-5843097
Magnolia Gardens Assisted Living & Memory Care, LLC	73-1658577
Magnolia Gardens Senior Living Property, LLC	20-8845972
Medallion GP, LLC	20-1663109
Memphis KGGP, LLC	71-0874401
Merced GP, LLC	20-2329880
Mobile Gordon Oaks Senior Living Property, LLC	26-1241869
Mobile KPGP, LLC	68-0497703
Modesto GP, LLC	20-3283852
Montclair Property, LLC Mooresville Senior Living Property, LLC	20-3512473
Mt. Pleasant Oakdale I Property, LLC	20-5600734
Mt. Pleasant Oakdale II Property, LLC	20-5600771
MVP Sports, LLC	20-5081335
Northglenn Management, Inc.	20-0406620
Northglenn Property, LLC	20-0778799
Ocala CH Property, Ltd.	41-2034872
Ocala CHGP, LLC	47-0856453
Oklahoma Senior Living Property, LLC	20-5679632
Olmstead Falls Properties, LLC	20-8881857
Olmsted Falls Holdings, LLC	20-8423580
Olmsted Falls Senior Living Property, LLC	20-8185867
Oxford Senior Living Property, LLC	20-5844444
Paducah Senior Living Property, LLC	20-8879376
Paragon Gardens GP, LLC	20-2227090
Park Meadows, L.L.C.	71-0952913
Phoenix JH, LLC	20-8845706
Phoenix Senior Living Property, LLC	20-8845646
Pinehurst Oakdale Property, LLC	20-5600909
Plano GP, LLC	20-1524210
Pointe at Cedar Park, L.L.C.	62-1769520

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Pointe at Kirby Gate, L.L.C.	62-1751374
Portland Senior Living Property, LLC	26-1631883
Post Pointe Atlanta, LLC	20-2719440
Post Pointe MGR, Inc.	20-3202037
Preferred Holding, LLC	71-0916393
Preston Hollow GP, LLC	20-1241348
PRH Properties, LLC	20-3200598
Pullman Senior Care Properties, LLC	26-0271504
Regal Estates GP, LLC	68-0565385
Roanoke Senior Living Property, LLC	20-5434352
Rockwood Homes, LLC	93-1318261
Roswell Assisted Living, LLC	48-1279128
Round Rock GP, LLC	20-1488025
Senenet, Inc.	81-0566112
Senior Housing Management, LLC	93-1321494
Senior Living Care, LLC	20-4500255
Senior Living Holdings I, LLC	20-8185927
Senior Living Holdings II, LLC	20-8185964
Senior Living Holdings III, LLC	20-8186212
Senior Living Holdings IV, LLC	20-8186009
Senior Living Holdings Ownership, LLC	26-0282131
Senior Living Properties II, LLC	20-5606897
Senior Living Properties III, LLC	20-5606942
Senior Living Properties, LLC	20-5434248
Senior Pharmacy, LLC	93-1294470
Sheridan Senior Living Property, LLC	26-1220561
Shore Pines Assisted Living Community, LLC	93-1311826
Silver Creek DEF Property, LLC	20-0865157
Silver Indemnity, Ltd	CCCCCCCCCCCCCCCCCCCCCCCCCCCCCCCCCCCCCC
Silver Insurance Management, LLC	
Silverstar Destinations LLC	20-5575216
Silverstar Destinations Property LLC	20-5988489
Silverstar Outdoor LLC	20-5988683
Silverstar Outdoor LLC	20-5988683
Sioux City Senior Living Property, LLC	26-0363262
Site Works, Inc.	93-1304580
SMI Real Estate Group, Inc.	93-1300700
Southbury Senior Living, LLC	20-2860978
Spring Arbor Property, LLC	20-3009982
Spring Pointe Management, Inc.	20-0406726
Springfield Assisted Living,LLC	91-1820184
St. Peters Senior Living Property, LLC	20-5994820
Sterling Assisted Living Holdings, LLC	20-8423537
Sterling Assisted Living Property, LLC	20-5844052
Sunshine Village Property, LLC	72-1566006
Sunwest Associates II, LLC	93-1272486
Sunwest Associates III, LLC	74-3048125
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Sunwest Associates Limited Liability Company Sunwest Management, Inc Sunwest Properties II, LLC Sunwest Properties, LLC Sunwest Properties, LLC Susanville Assisted Living, LLC SW Hoop, LLC TAB Hawks Ridge, LLC Tahlequah Senior Living Property, LLC TD I, LLC TD/SR Property Investments, LLC Temple GP, LLC 20-14875	192 586 177 531 544 553 310
Sunwest Properties II, LLC  Sunwest Properties, LLC  Susanville Assisted Living, LLC  SW Hoop, LLC  TAB Hawks Ridge, LLC  Tahlequah Senior Living Property, LLC  TD I, LLC  TD/SR Property Investments, LLC  Temple GP, LLC  75-30736  93-12894  20-50816  20-50816  20-57656  20-57656  20-59885  20-14875	686 177 631 644 653 810 527
Sunwest Properties, LLC       93-12894         Susanville Assisted Living, LLC       35-21756         SW Hoop, LLC       20-50816         TAB Hawks Ridge, LLC       20-57656         TD I, LLC       26-12233         TD/SR Property Investments, LLC       20-59885         Temple GP, LLC       20-14875	177 531 544 553 310 527
Susanville Assisted Living, LLC 35-21756 SW Hoop, LLC 20-50816 TAB Hawks Ridge, LLC Tahlequah Senior Living Property, LLC 20-57656 TD I, LLC 26-12233 TD/SR Property Investments, LLC 20-59885 Temple GP, LLC 20-14875	\$31 \$44 \$53 \$10 \$27
SW Hoop, LLC TAB Hawks Ridge, LLC Tahlequah Senior Living Property, LLC TD I, LLC TD/SR Property Investments, LLC Temple GP, LLC 20-50816 20-57656 20-57656 20-59885 20-14875	544 553 310 527
TAB Hawks Ridge, LLC Tahlequah Senior Living Property, LLC 20-57656 TD I, LLC 26-12233 TD/SR Property Investments, LLC 20-59885 Temple GP, LLC 20-14875	353 310 527
Tahlequah Senior Living Property, LLC20-57656TD I, LLC26-12233TD/SR Property Investments, LLC20-59885Temple GP, LLC20-14875	310 527
TD I, LLC       26-12233         TD/SR Property Investments, LLC       20-59885         Temple GP, LLC       20-14875	310 527
TD/SR Property Investments, LLC 20-59885 Temple GP, LLC 20-14875	527
Temple GP, LLC 20-14875	***************************************
· · · · · · · · · · · · · · · · · · ·	- 40
	946
Terrace at Bluegrass, L.L.C. 62-17572	279
Terre Haute Senior Living Property, LLC 20-86704	<b>1</b> 67
Toms River Assisted Living, LLC 20-58740	)97
Tyler GP, LLC 20-14890	)14
Vineyard Blvd Senior Living Property, LLC 20-56793	399
Western Pennsylvania Senior Living GP, LLC 20-80201	98
Western Pennsylvania Senior Living Lim Part 20-80202	207
Willamette Medical Equipment,LLC 93-13201	10
Willow Lakes RV Park, Inc. 59-34811	56
Willow Trace Apartments, LLC 20-55131	47
Willow Trace Property, LLC 20-57080	)34
Willows at Sherman Community GP, LLC 20-50304	195
Winston-Salem Oakdale Property, LLC 20-56009	86
Woodstock Oaks Senior Living Property, LLC 26-07120	)46
Yakima Senior Living Holdings, LLC 20-86338	80
Yakima Senior Living Operator Holdings, LLC 20-86675	78
Yakima Senior Living Property, LLC 20-59868	60

ABN/Facility Name	EIN
Aberdeen Heights	20-5986683
Absaroka	26-0455861
Addie Meedom House	68-0411386
Albany ALF	93-1321593
Alpine Court & Cottages	93-1263256
Alpine Meadow	20-0914891
Alpine Springs	74-3047375
Amethyst Arbor	74-3047373
Amethyst Gardens	74-3047382
Apple Meadows	91-1913673
Apple Ridge	20-4890137
Apple Springs	91-1872740
Arbor Ridge	91-2061279 <sup>-</sup>
Arbrook	20-5040761
Ashland	93-1321671
Aspen Wind	93-1306414
Autumn Glen	74-3073223
Autumn Glen Cottages	26-0522569
Autumn Park	56-2378792
Autumn Wind	93-1303611
Azalea Gardens	20-5292570
Beacon Pointe	20-1511321
Big Sky	20-5986907
Blossom Creek	91-2084951
Blossom Valley	43-2036713
Boones Ferry Place	93-1312741
Brentmoor	20-4858521
Briarwood	93-1305112
Brookside	26-0443742
Buckingham Estates	20-5742351
Cache Valley	20-3248212
Caley Ridge	20-5278359
Callahan Court	93-1265771
Callahan Ret. Cottages	68-0563523
Callahan Village	72-1552485
Cambridge Court	43-2004024
Cambridge Court - Great Falls	20-2321294
Cambridge Place	20-2321244
Canterbury Court	20-3433549
Canterbury Gardens	20-8858827
Canyon Crest	93-1328065
Canyonview Estates	20-0258378
Carnegie Village	20-5742246
Carriage House	20-5355778
Carriage Inn	201688168

Cedar Ridge	20-3283505
Century Fields	93-1306415
Champlin Shores	20-2860957
Chancellor Place	20-2800957
Chandler Place	(a)
	20-2937917
Chehalem Springs	20-5657965
Cherry Oaks	204890202
Chesterley Court	48-1280164
Chesterley Meadows Chestnut Hill	91-2088339
<u></u>	20-4938458
Chestnut Lane	26-0838321
Chris Ridge	20-4897625
Churchill	20-5182988
Cliff View	20-3430421
Colonial Gardens	93-1291617
Colonial Village	03-0430389
Columbia View	93-1321656
Cooper Villa	20-4696896
Copper Springs	93-1326482
Cordon Road	93-1314854
Cordova Estates	20-2186337
Corinthians Assisted Living	71-0898043
Corinthians Retirement	71-0898041
Cottage Village	20-4296917
Cottages, The	20-4938549
Cottonbloom	20-2845754
Cottonwood Lodge	93-1321853
Cougar Springs	93-1319202
Country Gardens	81-0572194
Court at Round Rock	20-1487977
Courtyard at Merced	20-2329838
Courtyard Gardens	20-2186162
Crimson Ridge Gardens	20-1511270
Crimson Ridge Meadows	20-1511242
Crown Pointe	20-8772766
Crystal Terrace	93-1292117
Crystal Terrace Cottages	
Culpepper Place	20-8879334
Dallas	93-1321672
Deer Meadow	93-1275739
Desert Springs	20-4897677
Dorchester House	93-1061489
Dry Creek	81-0643011
Eagle Cove	20-3396367
Eagle Lake Village	20-3083034
Eagle Meadows	93-1308044
Eagle Meadows Cottages	20-2644202

Eagle Springe	02 400E702
Eagle Springs Cottogge	93-1265783
Eagle Springs Cottages	93-1316724
Eagles Manor	20-4011537
Eden Estates	20-1519779
Eldorado Heights	47-6237993
Elk Ridge	93-1302115
Emerald Estates	20-4189023
Emerald Pointe	20-1394280
Emerald Springs	74-3047372
Emerald Square	20-1954558
Englewood Heights	20-5986638
English Meadows	20-8003131
Falls River Court	75-3088538
Falls River Village	48-1287233
Cioboro I andina Assisted Living	20 4424020
Fishers Landing Assisted Living Flint River	20-4124820 20-5841516
	<u> </u>
Forest Glen Cottogog	93-1170370
Forest Glen Cottages	
Forest Glen II	00 5055707
Forest Heights	20-5355797
Forest Park	20-4310136
Fountain Crest	26-0476061
Fox Hollow	20-5355840
Fox River	30-0173985
Fox River Cottages	20-4967466
Garden Estates of Corpus Christi	20-1488891
Garden Estates of Temple	20-1487488
Garden Estates of Tyler	20-1488978
Garden Springs	93-1292409
Garnet of Casa Grande	74-3047383
Gemstone Assisted Living	93-1299123
Georgian Place	20-4244701
Glen at Cala Hills	62-1782102
Glendale Place	20-8246913
Glenellen	20-6240913
Golden Eagle Plaza	20-4630743
Gordon Oaks	26-1241808
Grayson View - Harrisburg	20-4850234
Grayson View - Selinsgrove	20-4850278
Greatwood	05-0522046
Greenhaven Estates	93-1329927
Harbor Heights	00.4000000
Hawks Ridge	93-1292380
Hawthorne Gardens	26-1631777
Hawthorne Inn at Greenville	20-4869225

Hawthorne Inn at Hilton Head	200 4000420
Heartland Park	20-4869138
Heritage Oak Villas	20-3949793
Heritage Place	20-63 14267
Heritage, The	20-3663441
Hermiston Terrace	93-1153573
Heron Pointe	74-3047374
Heron Pointe Cottages	93-1274802
Hill Villa	75-3057219
Hillside	20-0486083
Holiday Lane Estates	48-1291555
Homestead at Hickory	84-1482984
Homesteads at Newtown	20-2856827
Inn at The Amethyst	74-3047363
Jantzen Beach	93-1321734
Junction City	91-1805150
Kensington Green	20-3253725
Kings Manor	91-2108837
Knollwood Pointe	68-0497560
Kokanee Creek	93-1317186
La Villa	20-3433625
Lake Pointe	20-2186243
Lake Springs	20-2186050
Lake Springs Cottages	20-2452156
Lake Wylie	47-0856731
Lakeside	91-1842496
Lakeside Cottages	81-0572611
Lamar Court	20-4817704
Lassen House	68-0435722
Laurel Estates	20-4240122
Laurel Gardens	20-4218390
Laurel Springs	93-1329926
Legacy Crossing	20-4938489
Legacy Gardens	20-1519938
Legacy Heights	20-5355825
Legacy of Anderson	20-5322571
Legacy of Dallas	20-5780976
Lexington Gardens	20-4218425
Lincolnshire	93-1248513
Lone Oak	93-1274117
Magnolia Gardens	20-8845909
Maison Jardin	20-3283552
Mallard Landing	93-1295321
Manchester House	20-5679478
Manor House	20-1352183
Mansion at Waterford	20-5679542
Maple Heights	73-1623134

Manlowa	200 2002400
Maplewood McKenzie Valley	20-3663480 93-1321630
Meadow Wind	93-1306339
Meadowlark	93-1313608
Medallion	
Medford II	20-1663094
	93-1321586
Middlefield Oaks	93-1321655
Minnetonka	20-4407868
Monroe House  Montclair Park	20-3646757
	20-3511116
Monteith Village	20-3522484
Morrow Heights	93-1274073
Moses Lake	82-0545143
Mountain Laurel	20-5742306
Mountain View	93-1286411
Mountain View - Ashland	20-4938526
Neawanna by the Sea	20-0722258
Necanicum Village	20-5538613
Northglenn Heights	76-0718135
Northpark Place	26-0361356
Northridge	20-5949895
Northwesterly, The	20-1193579
Oak Lodge	93-1321643
Oak Tree Village	20-5994814
Oakridge	20-3967271
Oaks, The	20-5949976
Olympic Alzheimer	93-1294691
Orchard Glen	20-0477933
Orchard Park	93-1274214
Orchard Pointe	91-1945103
Oregon Gardens	93-1286265
Osprey Court	20-3347319
Osprey Pointe	93-1289903
Osprey Pointe Cottages	20-3382396
Oswego Springs	93-1291999
Pacific Pointe	93-1327061
Palm Meadows Court	72-1545461
Palm Meadows Village	47-0907232
Palms, The	93-1328064
Paradise Valley	20-0537832
Paragon Gardens	20-2227072
Park Avenue Estates	20-5491509
Park Meadows	71-0952913
Park Place - Casper	36-4533424
Park Place - Portland	93-1328066
Park Place - Spartanburg	20-2146317
Parkrose Estates	84-1587644

	100 0001001
Parkview Estates	20-2291394
Parkview Estates Cottages	20-5202855
Parkway Village	20-4124867
Peachtree Village	20-2354900
Peachtree Village - GA	20-8077866
Peridot	43-1962056
Pheasant Pointe II	93-1279377
Pheasant Ridge Retirement	20-8058393
Pheasant Ridge Senior Living	20-5371279
Place at Southpark, The	20-1663124
Plaza at Sun Mountain	20-3434202
Plaza on the River	20-5726837
Plum Ridge	93-1292109
Pointe at Cedar Park	47-0856827
Pointe at Kirby Gate	71-0874390
Ponds at Punaluu	20-4544050
Poulsbo (dirt)	20-2998609
Preston Hollow	20-1241329
Quail Hollow	91-1999930
Quaker's Landing	20-1511358
Rainbow	20-2325883
Regal Estates	47-0931769
Remington House	20-4219171
Richland Pines	20-4188599
River Road	93-1214355
River Rock Lodge	20-5278340
River Valley Landing	20-1351405
Riverchase Village	20-5928590
Riverdale Estates	20-2186270
Riverside at Belfair	58-2674809
Rose Estates	20-4817693
Rose Pointe	75-3008193
Rose Terrace	20-2186302
Rose Valley	93-1273142
Rose Valley Cottages	52-2419154
Rosemont at Clearlake	20-5708155
Sandia Springs	93-1328067
Sea View	93-1321620
Sellwood Landing	93-1314857
Sequoia Springs	93-1285450
Sequoia Springs Cottages	54-2068362
Settlers Park	93-1257198
Sierra Hills	93-1326872
Sierra Pines	93-1317168
Silver Creek	93-1173625
Spring Arbor	20-2937936
Spring Creek Gardens	20-1519796

Spring Estates	20-4543638
Spring Meadow Cottages	38-3674200
Spring Meadow Retirement	20-2530208
Spring Mountain	20-2185998
Spring Pointe	93-1283364
Spring Village	93-1279936
Spring Wind	93-1306340
Statesman Club	20-5679478
Stone Mountain	20-2186218
Stonebridge	91-1953290
Sugarland Ridge	26-1220502
Suites, The	20-0297268
Summerfield House	93-1329925
Summit House	20-5497771
Sundial	20-3283815
Sunnyside Court	93-1328058
Sunrise Creek	93-1321492
Sunshine Village	75-2999060
Sweetgrass Court	20-5355751
Sweetgrass Village	20-5355738
Sweetwater Springs	20-0421073
Tanner Spring	20-3295351
Terrace at Bluegrass	20-8855341
Terrace at Riverstone	26-0446525
Terrace at Woodstock	26-0536600 20-5418567
Terrace, The Timberwood Court	93-1303294
Town Village	20-3891614
Tudor Heights	20-3960997
Umpqua Valley	93-1321673
Valley Inn, The	93-1186227
Valley View	93-1232564
Victorian Manor	20-4390713
Victory Hills	20-5949672
Villa Del Rey	20-0722306
Village of the Falls	20-8244040
Wallace Road ALF	93-1288847
Waterfield	48-1268034
Waterford in Bellevue, The	26-1600397
Weatherly Springs	20-2185821
West Park Place	20-3433650
Westbrook Gardens	20-5010177
Wheatfields	93-1326481
Whitman	26-1567275
Wildflower Lodge	93-1275469
Willow Creek	20-3108051
Willow Ridge	20-5950059

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Willows at Sherman	71-0898042
Windfield Village	93-1271787
Woodside	46-0513253
Woodstock Estates	20-2186109
Wyndmoor, The	20-8670410

Exhibit B - Restructuring Plan

# **REDACTED**

# EXHIBIT 2

## IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF OREGON

In re	Case No. 08-36637- tmb11
Stayton SW Assisted Living, L.L.C., dba Lakeside Assisted Living Community,  Debtor.	ORDER APPROVING (1) EMPLOYMENT OF CLYDE A. HAMSTREET & ASSOCIATES, LLC AS INTERIM MANAGEMENT AND RESTRUCTURING CONSULTANT AND (2) APPOINTMENT OF CLYDE HAMSTREET AS CHIEF RESTRUCTURING OFFICER

THIS MATTER having come on for a hearing on the application of Stayton SW Assisted Living, L.L.C., dba Lakeside Assisted Living Community, Debtor and Debtor-in-Possession herein ("Debtor"), for an Order Approving (1) Employment of Clyde A. Hamstreet & Associates, LLC as Interim Management and Restructuring Consultant and (2) Appointment of Clyde Hamstreet as Chief Restructuring Officer; the Court having reviewed the Application and accompanying statements, and being otherwise duly advised in the premises;

NOW, THEREFORE, IT IS HEREBY ORDERED that Debtor be and hereby is authorized to employ Clyde A. Hamstreet & Associates, LLC ("Hamstreet") as Debtor's interim management and restructuring consultant, and appoint Clyde Hamstreet as Debtor's Chief

Page 1 of 2 - ORDER APPROVING (1) EMPLOYMENT OF CLYDE A. HAMSTREET & ASSOCIATES, LLC AS INTERIM MANAGEMENT AND RESTRUCTURING CONSULTANT AND (2) APPOINTMENT OF CLYDE HAMSTREET AS CHIEF RESTRUCTURING OFFICER

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Restructuring Officer, in each case, substantially on the terms set forth in the CRO Engagement Agreement, and Debtor is further authorized to pay Hamstreet a reasonable fee for its services upon application and order of the Court.

###

Presented by:

TONKON TORP LLP

By

Leon Simson, OSB No. 753429 (Lead Attorney)

Albert N. Kennedy, OSB No. 821429 Timothy J. Conway, OSB No. 851752 888 S.W. Fifth Avenue, Suite 1600

Portland, OR 97204-2099 Telephone:

503-221-1440

Facsimile:

503-274-8779

E-mail:

leon.simson@tonkon.com

al.kennedy@tonkon.com tim.conway@tonkon.com

Attorneys for Debtor

List of Interested Parties

034618\00002\1291096 V001

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## UNITED STATES BANKRUPTCY COURT DISTRICT OF OREGON

In re	)
	) Case No
	) ) RULE 2014 VERIFIED STATEMENT
Debtor(s)	) FOR PROPOSED PROFESSIONAL

- 1. The applicant is not a creditor of the debtor except:
- 2. The applicant is not an equity security holder of the debtor.
- 3. The applicant is not a relative of the individual debtor.
- 4. The applicant is not a relative of a general partner of the debtor (whether the debtor is an individual, corporation, or partnership).
- 5. The applicant is not a partnership in which the debtor (as an individual, corporation, or partnership) is a general partner.
- 6. The applicant is not a general partner of the debtor (whether debtor is an individual, corporation, or partnership).
- 7. The applicant is not a corporation of which the debtor is a director, officer, or person in control.
- 8. The applicant is not and was not, within two years before the date of the filing of the petition, a director, officer, or employee of the debtor.
- 9. The applicant is not a person in control of the debtor.
- 10. The applicant is not a relative of a director, officer or person in control of the debtor.
- 11. The applicant is not the managing agent of the debtor.
- 12. The applicant is not and was not an investment banker for any outstanding security of the debtor; has not been, within three years before the date of the filing of the petition, an investment banker for a security of the debtor, or an attorney for such an investment banker in connection with the offer, sale, or issuance of a security of the debtor; and is not and was not, within two years before the date of the filing of the petition, a director, officer, or employee of such an investment banker.
- 13. The applicant has read 11 U.S.C. §101(14) and §327, and FRBP 2014(a); and the applicant's firm has no connections with the debtor(s), creditors, any party in interest, their respective attorneys and accountants, the United States Trustee, or any person employed in the office of the United States Trustee, or any District of Oregon Bankruptcy Judge, except as follows:
- 14. The applicant has no interest materially adverse to the interest of the estate or of any class of creditors or equity security holders.

15.	Describe details of all payments made to you by either the debtor or a third party for any services rendered on the debtor's behalf within a year prior to filing of this case:
16.	The debtor has the following affiliates (as defined by 11 U.S.C. §101(2)). Please list and explain the relationship between the debtor and the affiliate:
17.	The applicant is not an affiliate of the debtor.
18.	Assuming any affiliate of the debtor is the debtor for purposes of statements 4-13, the statements continue to be true except (list all circumstances under which proposed counsel or counsel's law firm has represented any affiliate during the past 18 months; any position other than legal counsel which proposed counsel holds in either the affiliate, including corporate officer, director, or employee; and any amount owed by the affiliate to proposed counsel or its law firm at the time of filing, and amounts paid within 18 months before filing):
19.	The applicant hereby acknowledges that he/she has a duty during the progress of the case to keep the court informed of any change in the statement of facts which appear in this verified statement. In the event that any such changes occur, the applicant immediately shall file with the court a pleading to which the original verified statement filed with the court is attached and which describes, by statement paragraph, those changes which have occurred.
	FOLLOWING QUESTIONS NEED BE ANSWERED ONLY IF AFFILIATES HAVE BEEN LISTED TATEMENT 16.
20.	List the name of any affiliate which has ever filed bankruptcy, the filing date, and court where filed:

21.	List the names of any affiliates which have guaranteed debt of the debtor or whose debt the debtor has guaranteed. Also include the amount of the guarantee, the date of the guarantee, and whether any security interest was given to secure the guarantee. Only name those guarantees now outstanding or outstanding within the last 18 months:
22.	List the names of any affiliates which have a debtor-creditor relationship with the debtor. Also include the amount and date of the loan, the amount of any repayments on the loan and the security, if any. Only name those loans now outstanding or paid off within the last 18 months:
23.	List any security interest in any property granted by the debtor to secure any debts of any affiliate not covered in statements 20 and 21. List any security interest in any property granted by the affiliate to secure any debts of the debtor not covered in statements 21 and 22. Also include the collateral, the date and nature of the security interest, the name of the creditor to whom it was granted, and the current balance of the underlying debt:
24.	List the name of any affiliate who is potentially a "responsible party" for unpaid taxes of the debtor under 26 U.S.C. §6672:
	I verify that the above statements are true to the extent of my present knowledge and belief.
	Clyde A. Hamstreet & Associates, LLC
	ByApplicant
	Clyde A. Hamstreet, President

Exhibit to Rule 2014 Verified Statement For Proposed Professional *In re: Stayton SW Assisted Living, L.L.C., dba Lakeside Assisted Living Community* 

#### Exhibit A

To the best of my knowledge based on the conflicts of interest search described below, except as otherwise set forth herein, Hamstreet does not have any connections with the debtor or any of its affiliates, its creditors, or any other party in interest, the United States trustee, or any person employed in the office of the United States trustee, or any District of Oregon bankruptcy judge. In connection with its proposed retention by the debtor in this case, Hamstreet researched its client data base to determine whether it had any relationships with the debtor, any of its affiliates, or its creditors based on lists of affiliates provided by Sunwest Management, Inc. and on a list of creditors provided by Tonkon Torp LLP. These lists will be made available upon request. As a result of such searches, Hamstreet identified the following connections:

- (a) <u>Insiders</u>. Under the CRO Engagement Agreement, dated November 20, 2008, among Hamstreet, Sunwest Management, Inc. and certain insiders, among other things, (i) Hamstreet was engaged to provide interim management and restructuring consulting services to the debtor and certain of its affiliates, (ii) Clyde Hamstreet was appointed as Chief Restructuring Officer of the debtor and certain of its affiliates, and (iii) Jon M. Harder, Darryl E. Fisher and J. Wallace Gutzler assigned to Clyde Hamstreet, as agent for the debtor and its affiliates, all of their rights to distributions on account of their equity interests in the debtor and certain of its affiliates.
- (b) <u>Vendors</u>. Hamstreet has or has had vendor relationships with certain of the debtor's trade creditors, including AT&T, Integra Telecom, Office Depot, Pitney-Bowes, and Providence Health System.
- (c) <u>Professionals</u>. Hamstreet or predecessor consulting firms in which Mr. Hamstreet was a principal have over the years been involved in a number of bankruptcy cases and other matters in which Tonkon Torp LLP and other law firms representing parties in this case have represented the same or different clients.

#### Exhibit B

The Debtor has the following affiliates:

- Fred Girod: 50% ownership interest in Debtor
- Jon M. Harder: 40% ownership interest in Debtor
- See also Attachment 1 to Exhibit B

Facility Name - doing business as	Operator Legal Name	Co-Owner Legal Name
Sunwest Management, Inc		
Senenet		
KDA Construction		
Canyon Creek Development		
Canyon Creek Financial		
Fuse Advertising		
SENIOR HOUSING FACILITIES- OPI	EN AND OPERATING	
Aberdeen Heights	Tulsa Senior Living, LLC	
Absaroka	Cody Senior Living II, LLC	Cody Senior Living, LLC
Addie Meedom House	Addie Meedom House, LLC	
Alpine Court & Cottages	W-E Specialized Care, LLC	
Alpine Meadow	Barger Road Cottages LLC	
Alpine Springs	Alpine Springs III, LLC	Alpine Springs, LLC
Amethyst Arbor	Amethyst Arbor Assisted Living & Memory Care, LLC	
Amethyst Gardens	Desert Amethyst Retirement, LLC	Desert Amethyst Property LLC
Apple Meadows	Omak Alzheimer's Care, L.L.C.	
Apple Ridge	Apple Ridge Assisted living, LLC	
Arbrook	Arbrook Senior Living Limited Parnership	

Attachment 1 to Exhibit B - Athliates		
Facility Name - doing business as	Operator Legal Name	Co-Owner Legal Name
Aspen Wind	Aspen Wind Assisted Living Community, LLC	
Autumn Glen	Autumn Glen Assisted LivingCommunity, LLC	
Autumn Glen Cottages	Autumn Glen Cottages, LLC	Autumn Glen Cottages Property, LLC
Autumn Park	Autumn Park Assisted Living Community, LLC	
Azalea Gardens	Oxford Senior Living, LLC	Oxford Senior Living Property, LLC
Big Sky	Butte Senior Living, LLC	Butte Senior Living Property, LLC
Blossom Creek	Wenatchee Senior Care, L.L.C.	
Blossom Valley	Wenatchee Care, LLC	
Brentmoor	Minot Senior Living, LLC	
Briarwood	Briarwood Retirement and Assisted Living Community, LLC	
Brookside	Buford Brookside Senior Living, LLC	Buford Brookside Senior Living Property, LLC
Buckingham Estates	Fairway Crossing Senior Living, LLC	Fairway Crossing Senior Living Property, LLC
Cache Valley	Providence City, LLC	

Facility Name - doing business as	Operator Legal Name	Co-Owner Legal Name
Caley Ridge	Englewood Senior Living, LLC	Senior Living Holdins IV, LLC
Callahan Court	Callahan Court Specialty Care, LLC	
Callahan Ret. Cottages	Callahan Retirement Cottages, LLC	
Callahan Village	Callahan Village II, LLC	Callahan Village AL, LLC
Cambridge Court - Texas	Cambridge Court Assisted Living Limited Partnership	
Cambridge Court - Great Falls	Cambridge Court GP LLC	
Cambridge Place	Cambridge Place GF, LLC	
Canterbury Court	Harlingen Senior Living Limited Partnership	Harlingen GP, LLC
Canterbury Gardens	Canterbury Gardens Senior Living GP, LLC	Canterbury Gardens Senior Living Property GP, LLC
Canyon Crest	Canyon Crest Assisted Living & Memory Care, LLC	
Canyonview Estates	Amarillo Assisted Living Limited Partnership	
Carnegie Village	Belton Senior Living Operator, LLC	Belton Senior Living Property, LLC
Carriage House	Greensboro Oakdale Senior Living, LLC	Greenboro Oakdale Property, LLC

Facility Name - doing business as	Operator Legal Name	Co-Owner Legal Name
Carriage Inn	Carriage Inn Limited Partnership	
Cedar Ridge	Broken Arrow Senior Living, LLC	
Century Fields	Century Fields Retirement and Assisted Living Community, LLC	
Champlin Shores	Champlin, LLC	
Chancellor Place	Chino Hills Senior Living, LLC	Chino Hills Senior Living Property, LLC
Chandler Place	Chandler Place Senior Living, LLC	
Chehalem Springs	Mountain View Village Assisted Living and Retirement Cottages, LLC	
Cherry Oaks	Cherry Oaks Senior Living, LLC	
Chesterley Court	Yakima Alzheimer's Care, L.L.C.	
Chesterley Meadows	Yakima Senior Care, L.L.C.	
Chestnut Hill	Highlands Senior Living, LLC	Highlands Senior Living Property, LLC
Chestnut Lane	Gresham Chestnuet Senior Living, LLC	Gresham Chestnuet Senior Living Property, LLC
Chris Ridge	Chris Ridge Senior Living, LLC	
Churchill	Mooresville Senior Living, LLC	Mooresville Senior Living Property, LLC

Facility Name - doing business as	Operator Legal Name	Co-Owner Legal Name
Cliff View	St. George Senior Living, LLC	
Colonial Gardens	Colonial Gardens, LLC	
Cooper Villa	Arlington Cooper Senior Living Limited Partnership	Arlington Cooper GP, LLC
Cordova Estates	Cordova Senior Living, LLC	
Corinthians Assisted Living	Corinthians Assisted Living & Memory Care, LP	
Corinthians Retirement	Corinthians I Retirement Community, LP	
Cottage Village	Lubbock Assisted Living Limited Partnership	
Cottages, The	Albuquerque Memory Care Community, LLC	
Cottonbloom	Las Cruces, LLC	
Cougar Springs	Cougar Springs Assisted Living and Memory Care Community, LLC	
Country Gardens	Country Gardens Assisted Living, LLC	
Beacon Pointe/Court at Clifton Park	Court at Clifton Park LLC	
Crimson Ridge Gardens/Court at Greece	Court at Greece, LLC	
Crimson Ridge Meadows/Village at Greece	Village at Greece LLC	
Quaker's Landing/Court at Orchard Park	Court at Orchard Park LLC	

Facility Name - doing business as	Operator Legal Name	Co-Owner Legal Name
Court at Round Rock	Round Rock GP LLC	
Courtyard at Merced	Merced Senior Living Limited Partnership	
Courtyard Gardens	Lawrenceville Senior Living, LLC	
Crown Pointe	Corona Senior Living Limited Partnership	Corona Senior Living Property Limited Partnership
Crystal Terrace	Crystal Terrace Retirement Community, LLC	·
Culpepper Place	Paducah Senior Living, LLC	Paducah Senior Living Property, LLC
Deer Meadow	Aspen Foundation III	
Desert Springs	Desert Springs Senior Living, LLC	Desert Springs Land, LLC
Dorchester House	Dorchester House Retirement Residence LLC	
Dry Creek	Ellensburg Care, LLC	
Eagle Cove	Eagle Cove Senior Living, LLC	
Eagle Lake Village	Susanville Limited Partnership	
Eagle Meadows	Eagle Meadows Assisted Living Community, LLC	
Eagle Meadows Cottages	Eagle Meadows Cottages, L.L.C.	

Facility Name - doing business as	Operator Legal Name	Co-Owner Legal Name
Eagle Springs	Eagle Springs Specialized Care, LLC	
Eagles Manor	Aspen Foundation III	
Eden Estates	Bedford Gardens LP	
Eldorado Heights	Eldorado Heights Assisted Living Community, LLC	
Emerald Estates	Baltimore Senior Living, LLC	
Emerald Pointe	Emerald Pointe AL & MC, LLC	
Emerald Springs	Emerald Springs Assisted Living, LLC	
Emerald Square	Emerald Square Assisted Living, LLC	
Englewood Heights	Yakima Senior Living, LLC	Yakima Senior Living Operator Holdings, LLC
English Meadows	Christiansburg Senior Living, LLC	
Falls River Court	Falls River Court Memory Care, LLC	
Falls River Village	Falls River Village Assisted Living, LLC	
Fishers Landing Assisted Living	Vancouver Senior Living, LLC	
Flint River	Macon Senior Living, LLC	Macon Senior Living Property, LLC

Facility Name - doing business as	Operator Legal Name	Co-Owner Legal Name
Forest Glen	Aspen Foundation	
Forest Heights	Winston-Salem Oakdale Senior Living, LLC	Winston-Salem Oakdale Property, LLC
Forest Park	Victor Senior Living, LLC	
Fountain Crest (aka Lehigh Acres)	Lehigh Acres Senior Living, LLC	
Fox Hollow	Pinehurst Oakdale Senior Living, LLC	Pinehurst Oakdale Property, LLC
Fox River	Fox River Assisted Living & Memory Care, LLC	
Fox River Cottages	Fox River Retirement Living, LLC	
Garden Estates of Corpus Christi	Garden Estates of Corpus Christi LP	
Garden Estates of Temple	Garden Estates of Temple LP	
Garden Estates of Tyler	Garden Estates of Tyler LP	
Garnet of Casa Grande	Garnet of Casa Grande Assisted Living, LLC	
Georgian Place	Newnan Senior Living, LLC	
Glendale Place	Glendale at Murray, LLC	Glendale at Murray Property, LLC

## Case Alta 36637 tmbto Exhibit B - Altifiate's 8/08

Facility Name - doing business as	Operator Legal Name	Co-Owner Legal Name
Glenellen	North Lima Senior Living, LLC	
Golden Eagle Plaza	Great Falls Senior Living Operator LLC	Great Falls Senior Living, LLC
Gordon Oaks	Mobile Gordon Oaks Senior Living Property, LLC	
Grayson View - Harrisburg	Grayson Harrisburg Senior Living, LLC	
Grayson View - Selinsgrove	Grayson Selinsgrove Senior Living, LLC	
Greatwood	Greatwood Retirement & Assisted Living, LLC	
Greenhaven Estates	Sacramento GC Assisted Living, LLC	
Hawks Ridge	Hawks Ridge Assisted Living Community, LLC	
Hawthorne Gardens	Portland Senior Living, LLC	Portland Senior Living Property, LLC
Hawthorne Inn at Greenville	Greenville Senior Living, LLC	
Hawthorne Inn at Hilton Head	Hilton Head Senior Living, LLC	
Heartland Park	Seward Senior Living, LLC	
Heritage Oak Villas	Lompoc Senior Living GP, LLC	Lompoc Senior Living Property GP, LLC
Heritage Place	Tahlequah Senior Living, LLC	Tahlequah Senior Living Property, LLC

Facility Name - doing business as	Operator Legal Name	Co-Owner Legal Name
Heritage, The	Bridgeport Senior Living, LLC	
Hermiston Terrace	Hermiston Terrace Assisted Living LLC	
Heron Pointe	Heron Pointe III, LLC	Heron Pointe Retirement & Assisted Living, LLC
Heron Pointe Cottages	Heron Pointe II LLC	
Hill Villa	Grand Court FW LLC	
Hillside	Hillside Senior Living Community, LLC	
Holiday Lane Estates	Holiday Lane Estates Assisted Living Limited Partnership	
Homesteads at Newtown	Newtown Senior Living, LLC	
Inn at The Amethyst	Inn at the Amethyst Assisted Living, LLC	Amethyst Inn Property LLC
Junction City	Cornelius Retirement, L.L.C.	
Kensington Green	Southbury Senior Living, LLC	
Kings Manor	Kings Manor, LLC	
Knollwood Pointe	Mobile KP Property LLC	

Facility Name - doing business as	Operator Legal Name	Co-Owner Legal Name
La Villa	Roswell Senior Living, LLC	
Lake Pointe	Hartwell Senior Living, LLC	
Lake Springs	Buford Senior Living, LLC	
Lake Springs Cottages	Buford Retirement Cottages, LLC	
Lake Wylie	Lake Wylie Assisted Living, LLC	
Lakeside	Stayton SW Assisted Living, L.L.C.	
Lakeside Cottages	Lakeside Retirement Cottages, LLC	
Lamar Court	Overland Lamar Senior Living, LLC	
Lassen House	Lassen House LLC	
Laurel Estates	Orange Senior Living, LLC	
Laurel Gardens	Florence Senior Living, LLC	
Laurel Springs	Laurel Springs Assisted Living, LLC	
Legacy Crossing	Franklin Senior Living, LLC	
Legacy Gardens	Legacy Gardens AL LLC	

## CaseAltachinatelorito Exhibitate - Filifilatelo 8/08

Facility Name - doing business as	Operator Legal Name	Co-Owner Legal Name
Legacy Heights	Charlotte Oakdale Senior Living, LLC	Charlotte Oakdale Property, LLC
Legacy of Anderson	Anderson Senior Living, LLC	Anderson Senior Living Property, LLC
Legacy of Dallas	Legacy Georgia Senior Living, LLC	Legacy Georgia Senior Living Property, LLC
Lexington Gardens	West Columbia Senior Living, LLC	
Lincolnshire & Lincoln City Cottages	Lincoln City Assisted Living, LLC	
Lone Oak	Harder Development III, LLC	
Magnolia Gardens	Magnolia Gardens Senior Living, LLC	Magnolia Gardens Senior Living Property, LLC
Maison Jardin	Morgan City, LLC	
Mallard Landing	Harder Development IV, LLC	
Manchester House	Vineyard Blvd Senior Living, LLC	Vineyard Blvd Senior Living Property, LLC
Manor House	Manor House Memory Care, LLC	
Mansion at Waterford	Oklahoma Senior Living, LLC	Oklahoma Senior Living Property, LLC / Senior Living Holdins I, LLC
Maplewood	Bridgeport Assisted Living, LLC	

Facility Name - doing business as	Operator Legal Name	Co-Owner Legal Name
Meadow Wind	Meadow Wind Assisted Living Community, LLC	
Meadowlark	Meadowlark Assisted Living Community, LLC	
Medallion	Medallion Assisted Living Limited Partnership	
Middlefield Oaks	Middlefield Oaks assisted Living and Memory Care Community, LLC	
Minnetonka	Minnetonka Senior Living, LLC	
Monroe House	Sterling Assisted Living, LLC	Sterling Assisted Living Property, LLC
Montclair Park	Montclair Senior Living, LLC	
Morrow Heights	Morrow Heights, LLC	
Moses Lake	Moses Lake Senior Care, LLC	
Mountain Laurel	Glastonbury Senior Living, LLC	Glastonbury Senior Living Property, LLC / Senior Living Holdings II, LLC
Mountain View - California	Ukiah Assisted Living, LLC	
Mountain View - Ashland	Ashland Senior Living, LLC	
Neawanna by the Sea	Clatsop Assisted Living LLC	

Operator Legal Name	Co-Owner Legal Name
Seaside Senior Living, LLC	
Northglenn Assisted Living, LLC	
Sioux City Senior Living, LLC	Sioux City Senior Living Property, LLC
Kearney Senior Living, LLC	
Northwesterly Assisted Living LLC	
St. Peters Senior Living, LLC	St. Peters Senior Living Property, LLC
Stevens Pointe Senior Living, LLC	
Wayne Senior Living, LLC	
Orchard Glen Retirement Community, LLC	
Orchard Park, LLC	
Port Orchard Alzheimer's Care, L.L.C.	
Osprey Court Senior Living, LLC	
KAMAC Assisted Living, LLC	
	Seaside Senior Living, LLC  Northglenn Assisted Living, LLC  Sioux City Senior Living, LLC  Kearney Senior Living, LLC  Northwesterly Assisted Living LLC  St. Peters Senior Living, LLC  Stevens Pointe Senior Living, LLC  Wayne Senior Living, LLC  Orchard Glen Retirement Community, LLC  Orchard Park, LLC  Port Orchard Alzheimer's Care, L.L.C.

Operator Legal Name	Co-Owner Legal Name
Osprey Pointe Cottages, LLC	
Lesser-Capitol, LLC	
CV Senior Living, LLC	
Sanddollar Court Memory Care, LLC	
Sanddollar Village Assisted Living, LLC	
The Palms Assisted Living & Memory Care, LLC	
Paradise Valley Retirement Community, LLC	
Paragon Gardens Limited Partnership	
Lexington Senior Living, LLC	Lexington Senior Living Property, LLC
Park Meadows, L.L.C.	
Park Place Assisted Living, LLC	
Park Place Assisted Living Community, LLC	
Spartanburg Senior Living, LLC	
Kennewick Care, LLC	
	Osprey Pointe Cottages, LLC  Lesser-Capitol, LLC  CV Senior Living, LLC  Sanddollar Court Memory Care, LLC  Sanddollar Village Assisted Living, LLC  The Palms Assisted Living & Memory Care, LLC  Paradise Valley Retirement Community, LLC  Paragon Gardens Limited Partnership  Lexington Senior Living, LLC  Park Meadows, L.L.C.  Park Place Assisted Living Community, LLC  Spartanburg Senior Living, LLC

Facility Name - doing business as	Operator Legal Name	Co-Owner Legal Name
Parkview Estates Cottages	Parkview Estates Cottages, LLC	
Parkway Village	Spokane Senior Living, LLC	
Peachtree Village - NM	Peachtree Village Retirement, LLC	
Peachtree Village - GA	Commerce Senior Living, LLC	Commerce Senior Living Property, LLC
Pelican Pointe	Pelican Pointe Assisted Living, LLC	
Peridot	Peridot Assisted Living Community, LLC	
Pheasant Ridge Retirement	Roanoke SW Retirement, LLC	
Pheasant Ridge Senior Living	Roanoke Senior Living, LLC	Roanoke Senior Living Property, LLC / Senior Living Holdings III, LLC
Place at Southpark, The	Southpark Senior Living, LLC	
Plaza at Sun Mountain	Vegas Assisted Living, LLC	
Plaza on the River	Kerrville Senior Living Limited Partnership	Kerrville Senior Living Property LP
Pointe at Cedar Park	Pointe at Cedar Park, L.L.C.	
Pointe at Kirby Gate	Memphis KG Property LLC	
Ponds at Punaluu	Oahu Senior Living, LLC	
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	Attachment 1 to Exhibit B - Anniates	
Facility Name - doing business as	Operator Legal Name	Co-Owner Legal Name
Prairie House	Assisted Living Alternatives, Inc.	
Preston Hollow	Preston Hollow AL LP	
Quail Hollow	Richland Special Care, L.L.C.	
Rainbow	Rainbow GF, LLC	
Regal Estates	Regal Estates Assisted Living Limited Partnership	
Remington House	Kingsport Senior Living, LLC	
Richland Pines	Columbia Senior Living, LLC	
River Road	TLC North, L.L.C.	
River Rock Lodge	Jackson Hole Senior Living, LLC	Jackson Hole Property, LLC
River Valley Landing	Tualatin Senior Care, LLC	
Riverchase Village	Hoover Senior Living, LLC	Hoover Senior Living Property, LLC
Riverdale Estates	Riverdale Senior Living, LLC	
Riverside at Belfair	Riverside at Belfair Assisted Living, LLC	
Rose Estates	Overland Rose Senior Living, LLC	
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Facility Name - doing business as	Operator Legal Name	Co-Owner Legal Name
Rose Terrace	Memphis Senior Living, LLC	
Rose Valley	Scappoose Assisted Living, LLC	
Rose Valley Cottages	Rose Valley Cottages, LLC	
Rosemont at Clearlake	Clearlake Senior Living Limited Partnership	Clearlake Senior Living Property GP, LLC
Sandia Springs	Sandia Springs Assisted Living & Memory Care, LLC	
Sellwood Landing	Sellwood Landing Retirement and Assisted Living Community, LLC	
Sequoia Springs	Fortuna Assisted Living, LLC	
Sequoia Springs Cottages	Fortuna Cottages, LLC	
Settlers Park	Settler's Park, LLC/Harder Dev I	
Sierra Hills	Sierra Hills Assisted Living Community, LLC	
Silver Creek	Silver Creek Assisted Living, L.L.C.	
Spring Arbor	Spring Arbor Senior Living, LLC	Spring Arbor Property, LLC
Spring Creek Gardens	Plano Limited Partnership	

Facility Name - doing business as	Operator Legal Name	Co-Owner Legal Name
Spring Estates	Kenmore Senior Living, LLC	
Spring Meadow Cottages	Grants Pass Cottages LLC	
Spring Meadow Retirement	Spring Village Retirement, LLC	
Spring Mountain	Marietta Senior Living, LLC	
Spring Pointe	Spring Pointe, LLC	
Spring Village	Spring Village, LLC	
Spring Wind	Spring Wind Assisted Living Community, LLC	
Statesman Club	Vineyard Blvd Senior Living, LLC	Vineyard Blvd Senior Living Property, LLC
Stone Mountain	Stone Mountain Senior Living, LLC	
Stonebridge	Vancouver Care, L.L.C. (Vancouver II)	
Sugarland Ridge	Sheridan Senior Living, LLC	Sheridan Senior Living Property, LLC
Suites, The	The Suites AL Community, LLC	
Summerfield House	Summerfield House Assisted Living LLC	

Facility Name - doing business as	Operator Legal Name	Co-Owner Legal Name
Summit House	Britt Senior Living, LLC	
Sundial	Modesto Senior Living Limited Partnership	
Sunrise Creek	Sunrise Creek Assisted Living and Memory Care Community, LLC	
Sunshine Village	Sunshine Village Assisted Living & Memory Care, LLC	
Sweetgrass Court	Mt. Pleasant Oakdale I ALZ, LLC	Mt. Pleasant Oakdale I Property, LLC
Sweetgrass Village	Mt. Pleasant Oakdale II ALF, LLC	Mt. Pleasant Oakdale II Property, LLC
Sweetwater Springs	Sweetwater Springs Assisted Living & Memory Care Community, LLC	
Tanner Springs	West Linn Senior Living, LLC	
Terrace at Bluegrass	Hendersonville B G Property, LLC	
Terrace at Riverstone	Canton Senior Living, LLC	Canton Senior Living Property, LLC
Terrace at Woodstock	Woodstock Oaks Senior Living, LLC	Woodstock Oaks Senior Living Property, LLC
Terrace, The	Jasper Senior Living, LLC	Jasper Senior Living Property, LLC
Timberwood Court	Albany Specialty Care, LLC	
Town Village	Oklahoma City Senior Living, LLC	

Facility Name - doing business as	Operator Legal Name	Co-Owner Legal Name
Tudor Heights	Pikesville Senior Living, LLC	
Valley View	Aspen Foundation II	
Victorian Manor	Batavia Senior Living, LLC	
Victory Hills	Kansas City Senior Living, LLC	Kansas City Senior Living Property, LLC
Villa Del Rey	Roswell Assisted Living, LLC	
Village of the Falls	Olmsted Falls Senior Living, LLC	Olmsted Falls Senior Living Property, LLC
Waterfield	Waterfield Memory Care Community, LLC	
Waterford in Bellevue, The	Nashville Senior Living, LLC	Nasville Senior Living Property, LLC
Weatherly Springs	Huntsville Senior Living, LLC	
West Park Place	West Allis Senior Living, LLC	
Westbrook Gardens	Purcell Senior Living, LLC	
Wheatfields	Clovis Assisted Living, LLC	
Whitman	Pullman Senior Care Operator, LLC	Pullman Senior Care Properties, LLC
Wildflower Lodge	LaGrande Assisted Living, LLC	

Facility Name - doing business as	Operator Legal Name	Co-Owner Legal Name
Willow Creek	Phoenix Senior Living, LLC	Pullman Senior Care Properties, LLC
Willow Ridge	Mc Cook Senior Living, LLC	
Willows at Sherman	Willows at Sherman Community GP, LLC	
Windfield Village	Wilsonville Retirement, LLC	
Woodside	Woodside Assisted Living Community, LLC	Springfield Assisted Living, LLC
Woodstock Estates	Woodstock Senior Living, LLC	
Wyndmoor, The	Terre Haute Senior Living, LLC	Terre Haute Senior Living Property, LLC
DEVELOPMENT PROPERTIES - NO		
Aaron Ridge Apartments, LLC	Aaron Ridge Apartments, LLC	
Albany Senior Living, LLC Autumn Park Cottages	Albany Assisted Living Community, LLC	
Avondale Senior Living, LLC (Not FEECO)	Avondale Senior Living, LLC	
Blue Mountain Associates	Blue Mountain Associates LLC	
Bluffs at Northwood	Bluffs At Northwoods Apartments, LLC	Bluffs at Northwoods Property, LLC
The Bluffs	Rock Springs Senior Living, LLC	
Braxton Senior Living, LP	Braxton Senior Living Limited Partnership	Braxton Senior Living Property Limited Partnership
Canyon Creek Development, Inc.	Canyon Creek Development, Inc.	'
Gig Harbor	Gig Harbor Senior Living, LLC	
Cedar Ridge	Nanaimo Sr. Living LP - (3rd Party) Notes	
Cordova Estates Cottages	Cordova Cottages, LLC	
Chesterly Meadows Cottages	Chesterley Meadows Cottages, LLC	
Clark 40	Clark 40, LLC	
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Facility Name - doing business as	Operator Legal Name	Co-Owner Legal Name
Copper Springs	Hobbs Assisted Living, LLC	
Cottonwood Lodge	Cottonwood Lodge Retirement, Assisted Living and Memory Care Community, LLC	
Drake's Landing	Eugene Senior Living, LLC	Eugene Senior Living Property, LLC
Eugene Senior Living Apartments Property, LLC		Eugene Senior Living Apartments Property, LLC
Fairview Business Flex Park	Fairview Business Flex Campus, LLC	
Garden Estates Temple Cottages	Temple Cottages GP, LLC	
Garden Way	Eugene Senior Living Apartments, LLC	
Gardner Ridge (Seaview Care, LLC)	Sea View Assisted Living Community, LLC	
Grahams Ferry Road Property, LLC	Grahams Ferry Road Property, LLC	
Greenville Cottages Property, LLC (Hawthorne Inn Cot)	Greenville Cottages Property, LLC	
Gresham Station	Gresham Sr. Living, LLC	
Highlands (Chapparel Heights)	Highland Chaparral Senior Living LP	Highland Chaparral Senior Living Property LP
HR Salem Properties (Nielsen Bldg)	HR Salem Properties, LLC	HR Salem Associates, LLC
HR Retail	HR Retail Associates I, LLC	HR Retail Properties I, LLC
Lacey Care	Lacey Care, LLC	
Lavendar Fields	Sequim Senior Living, LLC	
Morgan Hill Senior Living Property, LLC	, , , , , , , , , , , , , , , , , , , ,	Morgan Hill Senior Living Property Limited Partnership
Morgan Hill Senior Living, LLC	Morgan Hill Senior Living Limited Partnership	
Mountain Terrace	Broomfield Senior Living, LLC	Broomfield Senior Living Property, LLC
Overlook Apartments	Charlotte Overlook Apartments, LLC	
Poulsbo Senior Living	Poulsbo Senior Living, LLC	
Cheyenne Senior Living Property, LLC (Prairie Ridge)	Cheyenne Senior Living, LLC	Cheyenne Senior Living, Property, LLC
Presidio Pointe	Presidio Pointe Retirement Community	
Puyallup Senior Living, LLC (Meeker Terrace)	Puyallup Sr. Living, LLC	
Quail Summit	Quail Summit Senior Living Community	
Regal Estates Cottages	Regal Estates Cottages GP, LLC	
River Pines	Post Falls Land, LLC	
Rivers Edge Apartments	River's Edge NC Apartments LLC	Rivers Edge Property, LLC
Rose Valley Cottages		
Smart Park PH I, LLC	Smart Park P H 1, LLC	
Smart Park 3 Leasing, LLC	Smart Park 3 Leasing, LLC	
Smart Park 3, LLC	Smart Park 3, LLC	
Smart Park 4, LLC	Smart Park 4, LLC	
Smarth Park PH 4 Leasing, LLC	Smarth Park PH 4 Leasing, LLC	
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Facility Name - doing business as	Operator Legal Name	Co-Owner Legal Name
Sunshine Village Cottages	Sunshine Village Cottages, LLC	Sunshine Village Cottages Property, LLC
Sweetwater Springs Cottages	Sweetwater Springs Cottages, LLC	
Viewpoint on Queen Ann		
Vista Pointe	Medford Senior Living, LLC	Medford Senior Living Property, LLC
Whichita Falls Apartments, LLC (French Quarter)	Whichita Falls Apartments, LLC (French Quarter)	Whichita Falls Apartments Property, LLC
Whitecliffs	Kingman Senior Living, LLC	Kingman Senior Living Property, LLC
Willow Trace Apartments, LLC	Willow Trace Apartments, LLC	Willow Trace Property, LLC
Yakima Medical School Holdings, LLC	Yakima Medical School Holdings, LLC	

#### Exhibit C

The following is a list of affiliates of Debtor which have filed bankruptcy, the filing date, and court where filed:

Name of Debtor / District	Case No. / Relationship	Date Filed / Judge
Nashville Senior Living, LLC	08-07254	08/17/08
Middle District of Tennessee, Nashville Division	Affiliate	Judge Paine
Anderson Senior Living Property, LLC	08-07255	08/17/08
Middle District of Tennessee, Nashville Division	Affiliate	Judge Paine
Charlotte Oakdale Property, LLC	08-07256	08/17/08
Middle District of Tennessee, Nashville Division	Affiliate	Judge Paine
Greensboro Oakdale Property, LLC	08-07257	08/17/08
Middle District of Tennessee, Nashville Division	Affiliate	Judge Paine
Mt. Pleasant Oakdale I Property, LLC	08-07258	08/17/08
Middle District of Tennessee, Nashville Division	Affiliate	Judge Paine
Mt. Pleasant Oakdale II Property, LLC	08-07259	08/17/08
Middle District of Tennessee, Nashville Division	Affiliate	Judge Paine
Pinehurst Oakdale Property, LLC	08-07260	08/17/08
Middle District of Tennessee, Nashville Division	Affiliate	Judge Paine
Winston-Salem Oakdale Property, LLC	08-07261	08/17/08
Middle District of Tennessee, Nashville Division	Affiliate	Judge Paine
Century Fields Retirement and Assisted Living Community, LLC Middle District of Tennessee, Nashville Division	08-07338 Affiliate	08/19/08 Judge Paine
Briarwood Retirement and Assisted Living Community, LLC Middle District of Tennessee, Nashville Division	08-07339 Affiliate	08/19/08 Judge Paine
Portland Senior Living, LLC Oregon	08–36630 Affiliate	12/1/08

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Name of Debtor / District	<u>Case No. /</u> <u>Relationship</u>	Date Filed / Judge
Medallion Assisted Living Limited Partnership Oregon	08–36638 Affiliate	12/1/08
Colonial Gardens, LLC Oregon	08–36655 Affiliate	12/2/08

#### EXHIBIT D

The following affiliates are or may be creditors of Debtor: Sunwest Management, Inc.; Fuse Advertising; Century Fields; KDA Construction; Senenet, Inc.; Sunwest Management, Inc.; Champlin Shores; Divine Investments Inc; Jon M. Harder; Lakeside Cottages.

The following may be a debtor of Debtor: Lakeside Cottages II, LLC.

034618/00002/1304838v1

CERTIFICATE OF SERVICE
I hereby certify that I served the foregoing DEBTOR'S APPLICATION FOR ORDER APPROVING (1) EMPLOYMENT OF CLYDE A. HAMSTREET & ASSOCIATES, LLC AS INTERIM MANAGEMENT AND RESTRUCTURING CONSULTANT AND (2) APPOINTMENT OF CLYDE HAMSTREET AS CHIEF RESTRUCTURING OFFICER on the parties indicated as "ECF" on the attached List of Interested Parties by electronic means through the Court's Case Management/Electronic Case File system on the date set forth below.
In addition, I served the foregoing on the parties indicated as "Non-ECF" on the attached List of Interested Parties by mailing a copy thereof in a sealed, first-class postage prepaid envelope, addressed to each attorney's last-known address and depositing in the U.S. mail at Portland, Oregon on the date set forth below.
DATED this 8th day of December, 2008.
•
TONKON TORP LLP
By <u>/s/ Albert N. Kennedy</u> Leon Simson, OSB No. 753429 (Lead Attorney)
Albert N. Kennedy, OSB No. 82142
Timothy J. Conway, OSB No. 85175 888 S.W. Fifth Avenue, Suite 1600
Portland, OR 97204-2099 Telephone: 503-221-1440 Facsimile: 503-274-8779
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Attorneys for Debtor
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Page 1 of 1 - CERTIFICATE OF SERVICE

## Case 08-36637-tmb11 Doc 34 Filed 12/08/08 LIST OF INTERESTED PARTIES

## In re Stayton SW Assisted Living dba Lakeside Assisted Living Community U.S. Bankruptcy Court Case No. 08-36637-tmb11

#### **ECF PARTICIPANTS:**

#### **US TRUSTEE**

U.S. Trustee's Office 620 SW Main St, Room 213 Portland, OR 97205-3026 ustpregion18.pl.ecf@usdoj.gov

#### TOP 20:

Liberty Mutual Insurance Attn: Tina Parrett 8430 W Bryn Mawr Ave, 3<sup>rd</sup> Chicago, IL 61631 Telephone: 541-687-4799

Fax: 541-687-4718

Sysco Food Services of Portland Attn: Greg Wolf Acct #356964 26250 SW Pkwy Center Dr Wilsonville, OR 97070 Telephone: 503-682-4869

Fax: 503-682-6699

Alliance Insurance Group Attn: Tina Parrett 911 Country Club Rd # 340 Eugene, OR 97401 Telephone: 541-687-4799 Fax: 541-687-4718

Capital Premium Finance
Attn: Sarah Bush
ACCT#CAP-076343
POB 1020
Draper, UT 84020
Telephone: 800-767-0705
Fax: 800-700-3170
sarah@capitalpremiumfinance.net

OHCA Attn: Linda Kirschbaum 11740 SW 68th Pkwy # 250 Portland, OR 97223-9062 Telephone: 503-726-5260

Fax: 503-726-5259

Former Resident #SSWAL-1 Address Redacted

#### REQUESTS FOR SPECIAL NOTICE

David W. Criswell
Ball Janik LLP
1100 One Main Place
101 S.W. Main Street
Portland, OR 97204-3219
dcriswell@balljanik.com
Attorney for Column Financial

John D. Albert POB 968 Salem, OR 97308 Darlene@albertandtweet.com Attorney for Fred Girod

#### **NON-ECF PARTICIPANTS:**

TruGreen Landcare Attn: Cheri Rawlings POB 100186 Pasadena, CA 91189-0186 Telephone: 541-928-1283 Fax: 541-928-1182

Former Resident #SSWAL-2 Address Redacted

Former Resident #SSWAL-3 Address Redacted

Illustratus Attn: Adrian Robertson 10983 Granada Ln Overland Park, KS 66211 Telephone: 913-754-4200 Fax: 913-754-4239

Grove Mueller and Swank PC Attn: Vicki Holland POB 2122 Salem, OR 97308-2122 Telephone: 503-581-7788 Fax: 503-581-0152

C and D Landscape Co Attn: Isaac Kearns 16800 NE McDougall Rd Dayton, OR 97114 Telephone: 503-864-3551 Fax: 503-864-4428

Medline Industries Inc Attn: Brian Koci Acct #1161408 - Dept 1080 POB 121080 Dallas, TX 75312-1080 Telephone: 800-388-2147 Fax: 847-949-3180 NW Natural Gas Attn: Accounts Receivable Acct # 1048887-2 POB 6017 Portland, OR 97228-6017 Telephone: 503-721-2512 Fax: 503-721-2516

The Home Depot Supply Attn: Sonya Norton Acct # 1504007 POB 509058 San Diego, CA 92150-9058 Telephone: 800-798-8888 Fax: 800-930-4930

Former Resident #SSWAL-4 Address Redacted

Otis Elevator Co Attn: Tina Cust #394006 Contract #SPSx7162 POB 73579 Chicago, IL 60673-7579 Telephone: 503-639-7045 Fax: 503-684-5427

Allied Waste Attn: Accounts Receivable Acct # 3-0456-3006678 POB 608 Woodburn, OR 97071 Telephone: 503-981-1278 Fax: 503-982-7930

Mt Hood Solutions Attn: Mike Mulfur Acct #000889 14546 N Lombard St Portland, OR 97203-6462 Telephone: 503-227-3505 Fax: 503-225-9143

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Direct Supply Attn: Kim Stuh POB 88201

Milwaukee, WI 53288 Telephone: 800-634-7338 Fax: 800-250-1961

#### **OTHERS:**

Lee S. Attanasio Sidley Austin LLP 787 Seventh Ave New York, NY 10019